Daily Report

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FBIS-EEU-92-144 *27 July 1992*

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Yugoslavia

Federal—In an interview on 26 July, Prime Minister Panic stated "that the competence he also held as head of the Defense Ministry, he would use, primarily, toward effecting disarmament of all the warring factions in the former Yugoslav Republic of Bosnia-Hercegovina, and subsequently for easing tensions in Yugoslavia and in the Balkans," reports TANJUG.

President Dobrica Cosic sent a letter to the Federal Assembly. TANJUG reports that he states in the letter "that work should be started on improving the federal and republican constitutions," and calls for "minor changes" to the constitutions.

Bosnia-Hercegovina

TANJUG reports on a speech by Radovan Karadzic, president of the Serb Republic of Bosnia-Hercegovina, to a session of the Serb parliament on 25 July. Karadzic said: "The Serbian nation has found itself at the threshold of the creation of its own constitutive state on the territory of former Bosnia-Hercegovina."

Bulgaria

A Foreign Affairs Ministry official, citing the UN Office of the High Commissioner for Refugees, reported that "Muslims from Bosnia and Hercegovina are being forcibly deported to areas close to the Bulgarian border," according to Sofia radio. He went on to say that this "represents an attempt to change the ethnic composition of the population in areas close to our borders."

Hungary

Foreign Minister Geza Jeszenszky, in an interview with MAGYAR SZO, denied a report that "Hungary would prepare for a political or military intervention to protect Hungarians in Vojvodina," reports MTI. He went on to confirm Hungary's "commitment" to international diplomatic rules on the protection of minorities.

Slovenia

Slovene Defense Minister Janez Jansa and Foreign Affairs Minister Dimitrij Rupel said "on behalf of the Slovene Government" at a news conference "that they support a military intervention in Bosnia-Hercegovina," Zagreb radio reports.

Albania

According to ATA, unconfirmed official reports show that the Democrats will win the local elections, which were held on 26 July.

Romania

Despite denials from its government, Romania is regularly breaking the trade embargo imposed by the United Nations on the Serbian-dominated remnants of Yugoslavia, Hamburg DPA reports.

Poland

The Senate voted to ratify the treaty on associated membership with the EC after a two-hour debate on 24 July, reports PAP. The treaty must now be ratified by the president. Senator Krzysztof Pawlowski admitted that the treaty "did not meet all Polish expectations," but it "creates chances for the development of both the Polish industry and agriculture."

'Unconfirmed' Results Show Democrats Winning

AU2707085492 Tirana ATA in English 0758 GMT 27 Jul 92

[Text] Tirana, July 27 (ATA)—Still unconfirmed official reports show that the forces in power will win again the local elections, which ended on July 26 at 18.00. Out of 43 municipalities far and wide the country, today till 8.00 a.m., it is supposed that the Socialist Party has won about 18 candidates for mayors, the Democratic Party about 20 candidates, and the rest seems to be decided upon on August 2. [sentence as received] The Democratic Party and the other forces which support it make up the majority in the biggest municipalities, whereas the Socialists dominate the small municipalities and communes in the mountain zones. The accurate official results are expected to be announced after two days, because of lack of communication, said the deputy chairman of the Central Election Commission.

Electoral Commission Reports Election Problems

AU2607203292 Tirana Radio Tirana Network in Albanian 1730 GMT 26 Jul 92

[Franko Egro report]

[Excerpt] Various reports continue to come to the former Palace of Congresses, where the offices of the Central Electoral Commission are located. The commission is informed by these reports and suggests solutions for disorders that occur in particular voting centers. It occurred that not all ballots were stamped as a result of not implementing the predetermined procedures. There were cases when not all the citizens were registered or the same person happened to be registered twice. There are other difficulties at the Central Electoral Commission. We asked Mr. (Bardhyl), member of this commission, to give us an explanation.

[Begin (Bardhyl) recording] One of the greatest concerns that the Central Electoral Commission had was the situation in Sarande and Gjirokaster Districts because the Albanian citizens who work in Greece or are there as refugees were not registered on ballots. We went to both these districts and verified at the voting centers, and especially in the areas inhabited by minorities, where we noticed that the Central Electoral Commission had given them the prepared ballots in advance. All Albanian citizens were included, along with the minorities who were not in Albania at the time. Thus, there were no voting problems at all for those citizens who had come back from Greece, particularly in minority areas. Generally, the electors were registered in other voting areas also, thus the few electors who arrived in Albania after the registration deadline had expired could not make any changes and they remained unregistered, but they were only tens of people, and in our opinion, this cannot have an effect on the election results at all. [end recording] [passage omitted]

Four Arrested in South for Disrupting Elections

AU2607192092 Paris AFP in English 1859 GMT 26 Jul 92

[Text] Tirana, July 26 (AFP)—Four people who returned from Greece for the Albanian local elections were arrested on Sunday [26 July] for distributing leaflets calling for areas inhabited by the Greek minority to be reunified with Greece, Radio Tirana reported. The four arrested in Gjirokaster, southern Albania, were ethnic Greek.

The leaflets, printed in Greece, said the elections "constituted the first step toward realisation" of this objective, according to Radio Tirana.

Voting in local elections began on Sunday throughout Albania. In the south there is tension, particularly in Gjirokaster, because emigrants living in Greece who have returned to observe the voting are angry to find they are not on the electoral lists.

According to Radio Tirana, the influx of emigrants is to be blamed on the forces of "Vorioepiriot", who have pressured people to return to vote for the Human Rights Party, which represents the Greek minority, and want the area in which they live to be part of Greece.

The Albanian Government said such actions were contrary to the "spirit of friendship" between Greece and Albania and it was convinced they did not represent the Greek Government's position.

Members of the Central Electoral Commission were sent to Saranda, in the south, where all political parties except the Human Rights Party withdrew from the contest 48 hours before the voting booths opened.

Only 11 of the 13 parties which campaigned in the run-up to the elections fielded candidates in the rest of the country.

The level of voter participation in the municipal elections was much lower than for legislative elections in March, so much so that the time alloted for voting was increased. According to Radio Tirana, 14 hours after the voting booths opened, 60 percent of the electorate had voted. In the legislative elections, 90 per cent of the electorate voted.

Results will not be available before Tuesday, or even Wednesday.

Berisha Makes Election Appeal at News Conference

AU2507145692 Tirana Radio Tirana Network in Albanian 1830 GMT 24 Jul 92

[Speech by President Sali Berisha at a news conference in Tirana—live]

[Text] Ladies and gentlemen, Excellency Ambassadors, brothers and sisters, fellow-citizens:

The developed world sent an excellent message to Albania yesterday, and I, as president of this country, feel obligated to transmit this message to you in a sign of respect and gratitude toward these countries. The 24 most developed countries of the world and the most important international organizations clearly expressed their full political, economic, and moral support for the Albanian people, its government, and democratic forces at yesterday's meeting. For the first time in the history of the Group of 24, this meeting was held outside Brussels. This showed the great assessment these countries have for the democratic aspirations of Albanians, the decision they made four months ago, and the full confidence in the new democratic rule, Mr. Meksi's government, and the reforms it has undertaken as a necessary road to rescue Albania. They clearly expressed their readiness to specifically support the reforms.

Mr. Andriessen, vice president of the EC Commission, declared before you that he considers Albania a special case. This was exactly the viewpoint that we presented to Europe and the world as soon as we came to power. Its official acceptance presupposes special and facilitating procedures for our country and the support given to it. Another testimony of the special aid is Mr. Andriessen's statement that for the next year, the EC will fulfill every food need that Albania has that domestic production is unable to meet. Mr. Jean Louis Cadieux, general director of the EC Commission, declared that Albania will receive, in various forms, $400 million in aid over the next year, out of which about $100 million is a direct grant.

Gentlemen, the figures speak clearly. In the Group of 24 conference there were special proposals from such countries as Switzerland, Greece, and Turkey to assist Albania with special projects. Proposals from other countries will be specified later.

I avail myself of the opportunity to again warmly thank the participating governments for their readiness to help Albania in various ways. I hope that other governments will also follow this example.

Concerning this problem, I want to finally stress that after our numerous visits abroad, it was the 24 most developed countries of the world that sent their representatives to us in Tirana and came here with the predisposition to help, but also with the aim of being informed about the situation and the reform in Albania. I can say that the government responded to them in a dignified way because they left our country with the conviction that Albania should be supported on its path.

Ladies and gentlemen, brothers and sisters: The date of 24 July marks another important date in the history of Albanian democracy. We will conduct the first local elections the day after tomorrow in conformity with well-known international norms and criteria. In these elections we will vote for the first time with our free vote for the democratic local government, without which there is and will not be a real democratic leadership.

On this occasion, I want to express my conviction and wish that these elections be conducted calmly and with a political culture worthy of a people determined to march on the road of democracy. I want to greet the Albanian Government and parliament, which, differently from the previous power holders who were afraid of the free world, prepared these elections in record time, thus showing their full respect for democracy, the free vote, and the citizens' will. I also had the pleasure to decree the elections' conduct within the shortest possible time. This is only because I want the citizens of Albania to be governed as well as possible and not by people without mandates or who were appointed, but who were elected from their ranks by secret ballot. Those who want democracy are not afraid of it.

At this historic moment, I want to address the Albanian electorate and request that you vote for democracy and not at all from party positions and aims, but for democracy's sake and in the name of Albania and for its sake. By voting for democracy, the Albanian electorate is voting for its calm and security and that of its children. I hope that these three months have been sufficient to convince you and all of us that only democracy can establish calm and order. It suffices to recall here the time before the 22 March electoral campaign when communism and the forces of the old power, as a revenge against democracy, which they knew was bound to win, undertook the shameful and barbarous wave of destruction, arson of schools and warehouses by heavily hurting [words indistinct]. In the [word indistinct] campaign, they could not fulfill them anymore. Each time they attempted and will attempt these actions, they faced and will face the law. We should not forget that before 22 March, the antidemocratic forces armed the people to create a sinister fight of brother against brother. During and before that campaign, the democratic forces gathered weapons, and they are increasingly establishing, with each passing day, the order and public calm that every Albanian desires.

On 26 July we should vote for democracy, because in this way we will vote to go forward and not backward, vote for ourselves, our children, and for the whole of Albania. This is because we have all witnessed that during these three months or about 100 days in power, the democratic forces, though with no great experience and applying the policy of open doors as the sole alternative, because they wanted to see the country out of isolation and integrate Albania into the developed world, managed to completely justify the democratic ideals and strong amiable feelings that you cherished for the democratic peoples and countries. They managed to [word indistinct] to realize them on the countries and sanctions of the international documents. In less than 100 days, Albania received [word indistinct] and met with more presidents, prime ministers, and men of state than during all of its hundreds of years of previous history together. This open-door policy includes numerous agreements signed with the world and the great message that the meeting of the Group of 24 most developed countries of the world

brought forth. All these testify to the great positive effects of the open-door policy and that the democratic world supports the democratic forces in Albania and their reform because they are on the right road, the road of democracy and the integration of Albania into Europe. I am convinced that we Albanians, virtuous and grateful people that we are, will test once more, with our vote on 26 July, our determination to unwaveringly march forward on the road of reform as the only alternative to rescue Albania, thus completely and unhesitatingly justifying the great political, economic, and moral aid that they are giving Albania during this period, which is so decisive for its destiny and democracy.

I invite you to vote for democracy the day after tomorrow because in this way, you will vote for the economic reform that has as its basis the free work that always gives hope and will help Albanians prosper as others have prospered. A real testimony to this is the Albanian peasant who now works his own land for himself and produces and sells with profitable prices. No one levies taxes on him. The old people and children do not die anymore from hunger or disease, or because of a lack of milk and dairy products. The chief or chairman cannot trample the peasant's sweat, toil, and dignity underfoot. There is no doubt that the economic difficulties are great, but it is an undeniable fact that after two years of destruction, abolishment of the 80-percent wage rule, the establishment of order, and the insurance of credits for raw materials, work has started everywhere in Albanian enterprises. In fact, we should pay tribute to the half-century of dictatorship on the road to reform. I am convinced that with our work and resources and the powerful international aid and support, we will successfully carry out the reform, which is favored and supported by the entire developed world as the only way to solve Albania's problems and build a democratic society.

I hope that Albanians will vote for democracy the day after tomorrow because instead of a totalitarian and bunker state, we want to build a democratic and demilitarized state. Testimony to this are the reforms in the Army, further reduction in military expenses, and thorough reform in the ShIK [National Intelligence Service], which were very well received by all the democratic forces in the Army, the ShIK, and elsewhere, apart from antireform elements or those who have a criminal past.

I also want to remind you that by voting for democracy, you will vote for the truth and not for fraud. These three months should convince you better, because before coming to power, the democratic forces promised you several things, the majority of which they have fulfilled today. They promised public order and calm, land distribution, the opening of Albania to the world, aid for Albania, and raw material. Without denying the obstacles and great existing difficulties, I think that these promises were fulfilled in the way they were promised and that others will also come true.

Finally, I want to remind you that by voting for democracy, you will also vote for your social security. The reforms are really painful and require sacrifices, but they are carried out under a safe social security for all those who make them, a security that is in the interest not only of the employee, but also of those he is responsible for.

In conclusion, I would like to appeal again to the Albanian electorate to vote on 26 July for the most honest, wise, and democratic, people, because the electors and the whole of Albania need them. Thank you.

Chief of General Army Staff Relieved

LD2507114192 Belgrade TANJUG in English 0924 GMT 25 Jul 92

[Text] Ohrid, July 25 (TANJUG)—The Albanian National Defence Council has relieved of duty chief of the General Staff of the Albanian Army Kosta Shkarolli and appointed to the post his deputy Ilia Vasho, Albanian radio monitored in the Macedonian border town of Ohrid says.

Simultaneously, the Defence and Interior Ministries dismissed 50 active Army and police officers for unlawful activities. They will soon be put on trial for offences not specified by the radio.

New General Army Staff Chief Meets U.S. Attache

AU2307075392 Tirana Radio Tirana Network in Albanian 1736 GMT 22 Jul 92

[Text] A Defense Ministry spokesman reports that, by a decision of the Defense Council, Major-General Ilia Vasho, deputy chief of the General Army Staff, is appointed chief of the General Army Staff. Kostaq Karoli is released from this duty and appointed to another post. Colonel Agim Berati is appointed deputy chief of the General Army Staff.

[Tirana Radio Tirana Network in Albanian at 1730 GMT on 25 July reports the following: "A Defense Ministry spokesman reports that Major-General Ilia Vasho, chief of General Army Staff, received Lieutenant-Colonel (Grady Heuser), the U.S. military attache, at noon today. He made presentations to start his duty. Colonel (Andrew Richsel), former U.S. attache, accompanied him at this meeting. Major Fatos Beqiri, chief of the Foreign Affairs Department, was also present.

["After welcoming the U.S. military attache, the chief of the General Army Staff said that our Army is at a very important moment of its restructuring. The reform includes every structure and activity. Under the conditions of a change in the system, we require a new military opinion and a new military doctrine to be adapted to the new changes with the aim of framing our Army according to the European standards and serving the defense of the country's freedom and independence. Ilia Vasho then stressed that we assess with priority the relations with the United States and their armed forces.

["The meeting was held in an amiable and friendly atmosphere. They exchanged opinions on further strengthening relations and cooperation, specifying programs, exchanging military delegations, profiting experience in the interest of reforming the Army, possibly assisting with literature and material basis for military schools, and so on."]

Berisha 'Very Happy' With Group of 24 Meeting

AU2307083692 Tirana Radio Tirana Network in Albanian 1736 GMT 22 Jul 92

[Interview with President Sali Berisha by Zamira Koleci in Tirana on 22 July—recorded]

[Text] [Koleci] Speaking about the full support the Group of 24 has given to Albania, President Berisha gave us this interview after the conference:

[Berisha] First, allow me to comment once again on this meeting, which really is and will remain an historic event for our country and people because it clearly indicates the determination of the civilized, industrialized, and developed world to support and help Albania. If we said good morning to Europe on 23 March, having hope and confidence in her and cherishing our great desire to be integrated into Europe, it seems to me that the Group of 24 meeting in Tirana for the first time in the history of this group out of [word indistinct] concerning problems of Albania and Albanians and trying to help them is the most noble and polite answer that the developed and industrialized world is giving Albania, its confidence in democracy, and march toward democracy and free society.

Moreover, I want to stress that the organization of this meeting in Tirana again shows the very succesful crowning of the achievements of Meksi's government. Meksi's government undertook the heavy burden of lifting Albania out of the state of grave destruction. It is self-evident what damage and destruction exist in a country where schools are destroyed. The government succeeded not only in reestablishing order and calm, distributing land, compiling its basic program, but organizing this meeting, which really marks a culminating point in the activity of Meksi's government. I am confident that it will increase the confidence of Albanians in this government, which is tirelessly working to develop a market economy and build a democratic society.

I want to stress that the very happy news that Vice President of the EC Commission Frans Andriessen gave us at the news conference is really as happy for us as it is compulsory. We should use food aid for ourselves, but at the same time we should work not to be dependent on the food aid and show our European partners who are responding to our opening with nobility and politeness that we Albanians are not living and do not want to live at the expense of others, but we want to live from our own sweat, toil, and resources. Help us exploit them because we will know how to improve our welfare. That is why we should consider the food aid program only as a very important moment to get down to restructuring the economy, opening new jobs, and further developing Albania. That is why the other news, that the Group of 24 and the EC will help in restructuring the economy and converting Albania in a middle-and long-term program, was the same or even happier than the first.

[Koleci] Excuse me Mr. President, what message would you like to convey to your people in this case, because it is not only the aid, but Albania and Albanians themselves that will push them forward.

[Berisha] I think that not only my message, but also that of the EC and the Group of 24 member states, that is, of all the industrialized world, is that Albania has every opportunity and possibility to be integrated into the European and world economy if Albanians work, dedicate themselves to the reform, and accept [word indistinct] the reform gives. This meeting has not been organized out of sentimentality. This meeting has been organized because these countries clearly see that the Albanian Government and democratic forces are truly treading along democratic principles and the road of democracy. Therefore, it is important to mention this fact as we are discussing the message. The democratic and developed world has understood the honesty and seriousness of our message. If you listened to Mr. Andriessen's news conference, he stressed that the EC accepts Albania as a special case. This has been one of our goals which showed the democratic states that for many factors, such as isolation, poverty, savage dictatorship [passage indistinct]. The other important moment is that we really are a special case for [word indistinct], but we also have opportunities and we are not a desert. This viewpoint should be accepted everywhere today. The number of people who want to invest in Albania is increasing with each passing day. It is very important for us to work and resume work and dedicate ourselves to democracy, no matter what our political convictions are. We should preserve our various political viewpoints. [passage indistinct].

Ruli, Cadieux Hold News Conference on G-24 Aid

AU2307132292 Tirana ATA in English 0800 GMT 23 Jul 92

[Text] Tirana, July 23 (ATA)—After G-24 [Group of 24] on the future assistance for Albania was over, a press release was organized with the Minister of Economy and Finances Genc Ruli and the chairman of this meeting Jean Louis Cadieux, general director in the Commission of the European Community.

Drawing the general conclusions, Mr. Cadieux said that G-24 will be near Albania to overcome this difficult period, in cooperation with and through its economic support in food articles, raw material, and spare parts to reactivize industry, to finance the balance of payments, etc.

The economic reform will be severe, he said, but inevitable and the only alternative. No miracles are worked

within a short time of the reform and G-24 is convinced that the road of reform initiated by the Albanian Government is the only way to overcome this difficult stage of transition. G-24 voiced the readiness to provide Albania with food aid until 1993 harvest and it will continue even later.

The Albanian Minister of Economy and Finances Genc Ruli said that we saw the commitment and good will of the donating countries to help Albania. G-24 aired its readiness to continue with humanitarian aid, social aid for the categories of working people whom reform will affect more, assistance in the field of transport, for the resumption of industrial activity, etc.

After mentioning the great assistance Italy, Germany, and Greece have rendered to Albania, he pointed out also to other donators not so much committed to Albania until now, but in the meeting they aired their readiness for concrete assistance, such as Switzerland, Austria, and France.

Mr. Cadieux replied the question whether conditions for foreign investments in Albania have been formed or not, saying that investments do not come at once. Conditions should be created for them. You, he said, should prepare the necessary legal framework, should have productive capacities, qualified labour power, the necessary infrastructure.

For the present situation, Mr. Cadieux pointed out, perhaps it will be difficult to think of a rush of foreign investments, but this does not mean they will not arrive in the next months or within a year. For this more should be done concerning the economic reform. A condition to attract investments is also the stable political and social situation.

Answering the question whether the promotion of reform will create any problems, minister Ruli said that the hitherto and the future assistance will lessen the pains and social tensions. To this testifies also the fact that production has declined considerably, while the standard of living is not lowered at the same level.

Berisha, Tsoudherou Discuss Opening Consulates

AU2307103492 Tirana ATA in English 0808 GMT 23 Jul 92

[Text] Tirana, July 23 (ATA)—President of the Republic, Sali Berisha, met with the Secretary of State for Foreign Affairs of Greece Mrs. Tsoudherou, who carried with herself the greetings of Premier Mitsotakis as well as made known the proposal of Greece at the G-24 conference, the program worth 70 million dollars in the field of infrastructure and agronomic technique. President Berisha said that the Greek aid should include the whole of the Albanian territory. During the meeting they discussed also on the application of the agreements undertaken in the consular field, as the opening of the special consulates in Gjirokaster and Ioannina and the opening of the new border crossing points. During the talks they aired the worries of both countries over the conflict with former Yugoslavia and the probability of the breaking out of the war in Kosova and discussed on the stable solutions to this problem.

Bosnian Muslims 'Forcibly Deported' to Border Area

AU2607173192 Sofia Khorizont Radio Network in Bulgarian 1630 GMT 26 Jul 92

[Text] Muslims from Bosnia and Hercegovina are being forcibly deported to areas close to the Bulgarian border. This was announced by Mr. Slavi Pashovski from the Ministry of Foreign Affairs in today's "Nedelya 150" Bulgarian Radio program. He cited as his source a representative from the UN Office of the High Commissioner for Refugees, who recently returned from a mission to former Yugoslavia.

With such deportations, the conflict is artificially transferred to the south and the east. This also represents an attempt to change the ethnic composition of the population in areas close to our borders. This is Mr. Pashovski's conviction.

We should do everything within our power, in cooperation with the international community, to promote the actual implementation of the UN Security Council's resolution. We should also increase the effectiveness of the sanctions against Serbia and Montenegro, Mr. Pashovski declared from the Bulgarian Foreign Ministery in an interview for Bulgarian Radio.

Zhelev Supports Military Intervention in Yugoslavia

AU2407212892 Sofia BTA in English 1946 GMT 24 Jul 92

[Text] Sofia, July 24 (BTA)—Bulgaria will insist on military intervention for the pacification of the former Yugoslav Republics but under no circumstances will get involved in hostilities, President Zhelyu Zhelev said at a meeting with the public in Pomorie, a town on the Black Sea not far from Burgas. Dr Zhelev is in the second day of his visit to military units and population centres in the Burgas region.

Prime Minister Filip Dimitrov delivered a public lecture on Bulgaria's foreign policy this evening at the invitation of the Atlantic Club. Mr. Dimitrov listed the following priorities of present-day Bulgarian foreign policy: search for integration into the European structures, balanced bilateral relations, and no unilateral alliance with any one state. He discussed in detail the situation in the Balkans. The memories of history should not influence the present-day policy in the Balkans, the prime minister said, adding that Bulgaria has adopted precisely this principle in its relations with neighbouring states.

Finance Minister Consults With World Bank, IMF

AU2707130292 Sofia BTA in English 0939 GMT 27 Jul 92

[Text] Sofia, July 27 (BTA)—Bulgarian Finance Minister Ivan Kostov paid a working visit to the United States last week where he held preliminary consultations with officials of the World Bank and the International Monetary Fund. Upon his return he told journalists that three groups of issues had been discussed: the drafting of the 1993 national budget, the forthcoming talks with Bulgaria's creditors in early August, and the programme to reschedule Bulgaria's Paris Club debt.

"I briefed our partners on the forthcoming submission to the cabinet of 1993 budget guidelines," Mr. Kostov said. The idea was to coordinate with the World Bank and the IMF the macroeconomic framework of the budget, the parameters of the deficit and the methods of deficit financing. The Bulgarian finance minister insisted on an increased deficit, mostly in order to raise funds for a possible start of foreign debt service payments. The IMF maintained that the stabilization policy be paralleled by a reduction of the budget deficit. The sides discussed the need for establishing a deficit-financing mechanism which will not encourage internal inflation.

"We reached more than good understanding in harmonizing our positions on the negotiations with creditor banks," Mr. Kostov said.

Bulgaria pointed out that some creditor governments of the Paris Club are partly to blame for the delay in reaching debt-rescheduling agreements as they did not provide the data needed to review the agreement or insisted on the consideration of loans outside the preliminary framework.

According to today's issue of the financial and business news daily PARI, the failure to adopt general bank supervision rules delayed the second tranche of the structural adjustment loan. In Washington Mr. Kostov expressed the hope that the Governing Board of the National Bank of Bulgaria will soon approve such rules.

"I am pleased with the understanding shown by the World Bank and the IMF," Mr. Kostov said. In his view Bulgaria is making rapid progress towards the conclusion of an extended financial agreement with the IMF which may be expected in late October or early November 1992.

Prime Minister Returns From Visit to Turkey

AU2607175892 Sofia Khorizont Radio Network in Bulgarian 1630 GMT 26 Jul 92

[Text] Prime Minister Filip Dimitrov has returned from an official visit he paid to the Republic of Turkey. He was accompanied by Nikola Karadimov, minister of regional development, housing policy, and construction.

At the Turkish Government's invitation, the Bulgarian officials attended the festive inauguration of the Ataturk Reservoir Dam and Electric Power Plant. This is the high point in the implementation of a major project aimed at the development of southeast Anatolia, known under the historical name of Upper Mesopotamia. The objective and the implementation of the project are of

particular significance for our country, which has similar problems in some outlying regions.

The visit was an opportunity for the Bulgarian prime minister to expand his contacts with his Turkish colleague Demirel and with state leaders of some Central Asian republics of the former Soviet Union.

Leader of Ethnic Turks Voted Against Government

AU2407195392 Sofia BTA in English 1815 GMT 24 Jul 92

[Text] Sofia, July 24 (BTA)—Mr. Ahmed Dogan, leader of the Movement for Rights and Freedoms, surprised all observers today when he voted for a motion of no confidence in the cabinet tabled by the opposition Bulgarian Socialist Party. Mr. Dogan was the only MP [member of parliament] of the Movement for Rights and Freedoms (DPS) to vote this way. The DPS defends the interests of Bulgarian Turks and is the parliamentary ally of the ruling Union of Democratic Forces (SDS).

"If we were to vote our conscience, all we DPS MP's should have voted no confidence in the government," Mr. Dogan told the press. As he put it, "for the sake of rescuing the Blue, i.e. SDS, idea and for the sake of stability in the country," the parliamentary DPS decided that its floor leader would vote "for" no confidence in the cabinet and all the rest of the DPS MP's would vote "against."

Two days ago, however, Mr. Dogan said that "the DPS could not be misled by any Socialist motion for a vote of no confidence in the government." This does not mean that the DPS would not raise the question of further personnel changes in the cabinet, Mr. Dogan said then. According to recent press reports, the DPS may demand the resignations of Finance Minister Ivan Kostov and Interior Minister Yordan Sokolov.

Press reports have suggested recently an increasing closeness between the DPS, the leader of the Podkrepa Labour Confederation Dr. Konstantin Trenchev and ex-Defence Minister Dimitur Ludzhev.

During the parliamentary debate on the Socialist motion, Mr. Dimitur Sepetliev, the only MP of the DPS who took the floor, levelled criticism at the government and accused the cabinet and the ruling SDS of not coordinating their actions with their ally, the DPS.

Two months ago the SDS and the DPS had to hold prolonged consultations on the latest cabinet changes. When Prime Minister Filip Dimitrov asked Defence Minister Ludzhev to resign, the DPS stood by Mr. Ludzhev. In the final analysis, however, when the cabinet changes were put to the vote in the debating chamber, all DPS MP's supported the changes moved by the prime minister, including Mr. Ludzhev's dismissal.

Radical Democratic Party Views Opposition Moves

AU2607155092 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 26 Jul 92

[Text] The Radical Democratic Party's National Council held a meeting today at which the current efforts of stirring up social tension in the country, the walk-out of the opposition from parliament, and the subsequent motions for the National Assembly chairman's resignation and for a no-confidence vote on the government were described as attempts of destabilizing the country.

A similiar assessment was also made about the activities of the two major trade union organizations regarding organizing strikes. According to the Radical Democratic Party's National Council the strikes were motivated by political demands.

The session approved the activities of Radical Democratic members of parliament. According to the Radical Democratic Party, national consensus should be sought solely on the basis of the Union of Democratic Forces [SDS] program.

Political Parties Assess Activities, Policies

AU2507192192 Sofia BTA in English 1809 GMT 23 Jul 92

["Today"—BTA lead]

[Excerpt] Sofia, July 25 (BTA)—Time is working for the BSP [Bulgarian Socialist Party], Filip Dimitrov's cabinet is doomed, the leader of the Bulgarian Socialist Party, Mr. Zhan Videnov, said on the direct communication line opened on Channel 2 of Bulgarian television late last night. He confirmed once again the basic objections of his party to the government of the ruling coalition. Mr. Videnov said that the cabinet was not pursuing a reasonable agrarian policy, that it was not interested in the condition of the outside markets and that it did not pay attention to production.

The National Council of the Radical Democratic Party affiliated to the Union of Democratic Forces [SDS] gathered for a session in Sofia today to discuss its position on the government, parliament, the extraparliamentary parties and the trade unions. The SDS unity was also considered. The Radical Democratic Party should decisively break away with primitive anti-communism and propose a positive programme which would become the basis for action of the party and of the SDS, it was underlined at the session.

The extraordinary sitting of the Ruling Council of the Bulgarian Agrarian Party (United) held on July 11 was not convened according to the prescribed procedure and therefore its decisions are illegitimate, the Supreme Council of the United Agrarians decided at its session today. The election of the new Standing Committee and the new editor-in-chief of ZEMEDELSKO ZNAME is illegitimate, today's decision goes. The participants in

the session are expected to take a vote of no-confidence in United Agrarians Secretary Tsenko Barev and the old Standing Committee. "I will never endorse the disbanding of the United Agrarians before a uniting congress is held," Mr. Barev said today, receiving support from the participants in the sitting. [passage omitted]

BSP Faction To Propose 'Alternative Pragmatic Policy'

AU2607143492 Sofia Khorizont Radio Network in Bulgarian 1630 GMT 25 Jul 92

[Text] Today the Political Council of the Alliance for Social Democracy within the Bulgarian Socialist Party [BSP] held a meeting. At a news conference following the meeting it was announced that the meeting analyzed the situation in the country and defined the contours of the Alliance's policies. The participants in the meeting searched for the hidden mechanisms in Bulgarian political life, and they intend to submit their draft proposal for an alternative pragmatic policy to the BSP Supreme Council.

The representatives of the Alliance will insist that the BSP seek national consensus on the need to support the middle class in Bulgaria, bolster agrarian and cooperative capital, and stimulate foreign investments of proven origins.

The participants were firmly convinced that the elimination of the shadow cabinet had immensely distanced the party from the its parliamentary model. At the next meeting of the BSP parliamentary group, the Alliance for Social Democracy intends to demand the reestablishment of a such a group of spokesmen, without making any claims to appointments in the shadow cabinet.

The members of the BSP will received detailed information in the form of a letter describing the subjects discussed and decisions adopted at the meeting of the Alliance for Social Democracy.

Poll Shows See No Progress in Economic Reform

AU2307092392 Sofia BTA in English 1027 GMT 22 Jul 92

[Text] Sofia, July 22 (BTA)—24 CHASA publishes the results of a poll conducted by BBSS Gallup International from July 7 through July 12 which show that 13 percent of Bulgarians believe the economic reform in Bulgaria advances successfully, 65 percent say it has hardly made any progress, and 22 percent express no opinion. More than half of the polled say that what matters is not who but how they govern the country.

46 percent of respondents say it is increasingly difficult for them to make both ends meet, 20 percent admit they live below the poverty line, and less than 1 percent are well off.

The results show that three-fourths of respondents spend money only on bare necessities of life, one of ten respondents have managed to put money aside and make a purchase of more than 5,000 leva's worth (about 200 U.S. dollars), and the people who have not enough to eat are 4 percent more than in June—23 percent of respondents.

Those polled see the country's key social problems in the steep rise in prices, galloping inflation, unemployment, crime, and profiteering. Almost 80 percent believe that Mr. Filip Dimitrov's cabinet has not made any special effort to curb the growth of unemployment and the rise in prices and to combat profiteering.

35 percent appreciate the care the government has shown for private business. The same number of respondents do not think private business has been taken care of. The rest express no opinion on the matter. The prevailing opinion is that it is Bulgarians and not foreigners who should form the backbone of the capitalist class in the country.

Between 42 and 33 percent of the polled are dissatisfied with the police, the prosecuting magistracy and the courts; 38 percent believe that the judiciary is bound with the political power; and 71 percent say that Bulgaria should ensure its economic growth instead of raking up its totalitarian past.

Half of the polled would not take part in a political national strike; 39 percent would support a ban on strikes raising economic demands during the implementation of the reform; 36 percent are against banning strikes; and 25 percent express no opinion.

62 percent of respondents prefer changes to be carried out at a slower pace.

35 percent of the polled declare themselves to be politically neutral; 28 percent support the ruling Union of Democratic Forces, 23 percent—the Bulgarian Socialist Party, 5 percent—the Movement for Rights and Freedoms protecting the interests of ethnic Turks in Bulgaria, and 10 percent are followers of extraparliamentary parties.

The poll was held with 1,307 respondents over 18 years of age in different parts of the country. 51 percent of them are employed, 32 percent are retired, 13 percent are unemployed, 4 percent are students and housewives. 79 percent of the polled are employed in the public sector, 12 percent—in the private sector. 36 percent of them are villagers, 53 percent—townspeople, and 12 percent live in Sofia.

Czech, Slovak Constitutions To Appear Separately

LD2507123992 Prague CSTK in English 0958 GMT 25 Jul 92

[Text] Prague July 25 (CSTK)—The Czech National Council (parliament) chairman, Milan Uhde, last night said that it will not probably be possible to coordinate work on drafting new Czech and Slovak constitutions, and to adopt them on the same day as former President Vaclav Havel had proposed. In an interview with Czech television, Uhde said that the Czech party is only in the first stage of preparation of the constitution, while the Slovak party has already completed it.

At his meeting with the chairman of the Slovak National Council (parliament), Ivan Gasparovic, in Bratislava on Monday [27 July] Uhde will propose that the Slovak parliament set up a commission for questions related to the constitutional setup of Czechoslovakia. The Czech parliament has already created such a commission, Uhde added. These commissions would work on principles for cooperation between the future two independent states—the Czech Republic and the Slovak Republic—in spheres set in the ODS-HZDS [Civic Democratic Party-Movement for a Democratic Slovakia] political agreement of July 23: foreign policy, economy, defence and civil questions, Uhde said.

He will also propose to set up teams of experts to deal with the above-mentioned questions together with Czech and Slovak parliamentarians.

Federal Government Policy Statement Published

AU2407083792 Prague HOSPODARSKE NOVINY in Czech 22 Jul 92 p 7

["CSFR Government Policy Statement" approved by the Federal Assembly on 16 July]

[Text]

I. Preamble

The Czech and Slovak Federative Republic Government presents its policy statement to the Federal Assembly and the citizens of our state. It is a policy statement that reflects the complexity of the situation in which our society finds itself following the two and a half years of development since November 1989. Undoubtedly, this situation is characterized by the endeavor of our people and ethnic minorities to part ways as quickly as possible with our past of bondage and to utilize as effectively as possible our newly acquired conditions of freedom, conditions that are a result of the tireless effort by internal forces and of the overall changes in Europe and the world. Nevertheless, the recent elections, from which this Federal Assembly was formed, have shown that the contents, form, and course of the steps to be taken toward utilizing these conditions are perceived differently in the two republics. Disparate points of view on the Czech and Slovak Federative Republic's future constitutional and legal arrangement provide a general expression of this differentiation.

The Czech and Slovak Federative Republic Government will fulfill the tasks associated with resolving constitutional and legal issues on the basis of agreements between the national councils. It recommends that these agreements be reached by the end of September 1992 at the latest. Therefore, the government perceives its program to be limited in time and subordinates the contents and extent of its policy statement to this fact. For this reason, the Federal Government's policy statement concentrates only on a select range of issues that the government considers essential for this period. The government realizes it cannot implement any steps that would fundamentally alter the state's extant federal nature, and it will not modify the course of the Czech and Slovak Federative Republic's current policy until the Czech and Slovak Federative Republic's constitutional and legal arrangement is resolved by legal means.

The government

a) wants to guarantee continuity of all processes initiated after November 1989 and to continue the reforms already embarked upon;

b) proposes a substantial reduction in the number and size of state administration central organs, transferring jurisdiction from the abolished and reduced state administration central organs to the remaining state administration central organs, and transferring agreed jurisdiction to republican organs;

c) will prepare—and as long as it is empowered to do so—and will propose conditions for the smooth functioning of two sovereign states with international legal status.

In this situation, the government submits its policy statement containing the aims of its activity for a period of roughly three months. It considers it necessary—depending on how the situation develops—to appear before the Federal Assembly with an expanded policy statement after this period.

II. Legislation

The government will guarantee the continuity of the legal code and will create conditions for further developing our democratic system, for observing the Charter on Fundamental Human Rights and Freedoms, and for continuing the economy's transformation process.

The government will propose that jurisdiction between the Czech and Slovak Federative Republic and the Czech Republic and the Slovak Republic be redefined by legal means with the intention of ensuring that jurisdiction that is not necessary at a federal level is transferred to the Czech Republic and the Slovak Republic. The government will prepare corresponding proposals to amend the federation's jurisdiction and will initiate a

legislative process consisting of an amendment to the constitutional law on the Czechoslovak Federation.

Preparing legal amendments for the agreed changes to the structure of the federal ministries and resolving the associated jurisdiction and property-related and employment-related legal issues are among the government's primary tasks. The government will submit a draft constitutional law to the Federal Assembly amending the structure of state administration central organs and outlining the associated changes in these organs' jurisdictions, including settlement of the appropriate property, employment, and other legal relations.

The government will consider the function and effectiveness of certain valid legal regulations and will prepare their amendment where necessary.

As far as the draft legal regulations drawn up within the government's jurisdiction are concerned, the government will make a decision on its priorities and on future legislative procedures or, as the case may be, it will make a decision on discontinuing this work. It will also consider the government drafts already submitted to, but not debated by the Federal Assembly.

The Federal Government will support the quickest possible solution to the constitutional and legal issue based on an agreement between the two national councils. It will prepare a legal method for the Czech and Slovak Federative Republic's transformation into two sovereign states with international status and, if an agreement is reached on this issue, it will submit it to the Federal Assembly.

III. Foreign Policy

In the period until the constitutional and legal arrangement is resolved, the Federal Government will guarantee the state's single representation abroad and will respect all the CSFR's international obligations at the level of bilateral and multilateral relations and will protect its interests abroad.

It will continue to involve the Czech and Slovak Federative Republic in the European integration process, especially in relation to the EC. It will create conditions for more prominent involvement of the Czech Republic and the Slovak Republic in these processes.

The government will continue to strive to intensify and expand contacts with NATO, the Western European Union, the European Free Trade Association, and the Council of Europe. It will assiduously implement these approaches within the broader framework of CSCE activities in harmony with the outcome of the Helsinki summit.

Our relations with our immediate neighbors are among the priorities of our foreign policy. We are linked to Poland and Hungary by historic ties, by our common experience of recent decades, and by our current endeavor for a coordinated course of action. The positive elements in our several centuries of coexistence with Germany and Austria will continue to form the basis for our good-neighborly relations. We have a great interest in establishing good-neighborly relations with Ukraine.

It is impossible to create a new political architecture in Europe without the active involvement of the United States. Therefore, we attach great importance to proper friendly ties with the world's foremost power.

The government will strive for beneficial political, economic, and financial relations with Russia.

An active relationship with the United Nations remains a priority of our foreign policy. From the foreign economic point of view, our relationship with organizations such as the IMF, the World Bank, the European Bank for Reconstruction and Development, the GATT, and so on will be vital for us.

The government will issue objective information on the development of the Czech and Slovak Federative Republic's constitutional and legal processes via the Czechoslovak foreign service.

The government will determine the criteria and create conditions for implementing the principle of parity in filling diplomatic posts and will strive for an overall improvement in the quality of the foreign service's work.

IV. Defense and Security

The government attaches great importance to guaranteeing security and protecting all citizens' personal freedom. Therefore, it will intensify measures in sectors involving constitutionality, internal order, and suppressing crime. It will guarantee provision of specialized, professional security services within federal jurisdiction—including the provision of information to federal and republican organs—in harmony with the principles of a law-governed state and with emphasis on the quality and responsibility of these services.

The government will also place emphasis on professionalizing the border police and on further measures aimed at preventing the illegal transit of individuals across the territory of the Czech and Slovak Federative Republic. The government will make use of international cooperation and adopt organizational and preventative measures aimed at suppressing international organized crime.

The government will strive to define a system for keeping an up-to-date record of the population for the state administration's needs.

The government will carefully monitor the Czech and Slovak Federative Republic's security intelligence and the level of security in democratic institutions to protect them against anti-constitutional activities.

The government will initiate the transformation of the Federal Security and Information Service with the optimum division of jurisdiction between the federation and the republics.

The Federal Government will thoroughly implement the Czech and Slovak Federative Republic's defense doctrine in its military-strategic concept, a doctrine oriented toward defending freedom and independence and maintaining autonomy and integrity. The government will create prerequisites for completing fundamental changes in the redeployment of troops so that it is possible for the Czechoslovak Army's new deployment to adopt a defensive formation in all sectors while deploying our forces equally in both republics.

The government will guarantee implementation of the execution of basic military training in accordance with the republican principle and will create conditions for reducing the length of this service.

The government will prepare structural changes in the Czechoslovak Army in conjunction with the Czech and Slovak Federative Republic's economic capabilities and will guarantee economic-mobilization preparations to defend the state. The Armed Forces current organizational structure will be remodeled so that it corresponds to the demands of effective defense. In harmony with the establishment of European security, the government will continue to reduce the number of Armed Forces personnel to such a level that guarantees an adequate defense force for the state.

It will implement a course of action in managing and organizing civil defense aimed at protecting the population and society's material values, a course of action that should make it possible to immediately transfer the non-military part of civil defense to the republics' jurisdiction.

V. Economic Policy

The priorities of government economic policy in conjunction with the completion of the first stage of the transformation process will be a policy aimed at maintaining stability in the macroeconomic environment throughout the country and a policy of support for economic growth. The government will aim to do the following:

1. Continue the process of rapid and straightforward privatization;

2. Develop market relations and complete the institutional and legal framework for their operation;

3. Support the development of the private sector, especially the development of small and medium-sized enterprises (for example, by creating conditions for implementing new taxes, by developing activity in support of exports, and so on);

4. Maintain social conciliation (with emphasis on negotiations between trade unions and employers);

5. Emphasize an effective regional policy (for example, by supporting the conversion of the arms industry and by utilizing the federal budget resources intended for financing employment policy);

6. Support the influx of foreign capital;

7. Make use of the international funds available for effective infrastructure projects.

The government is convinced that an economic policy formulated this way will have a healthy influence on the demand side of the economy and will also improve conditions for economic revival, which is already beginning.

The government will undertake the following in the technical and social infrastructure sphere:

1. Implement the principles for a state transportation policy, including creating the necessary prerequisites for achieving harmony among the conditions for enterprise in the transportation market and in restructuring transportation systems. The government will proceed in a similar manner in implementing the principles for state energy and communications policies.

2. Guarantee the smooth functioning of the extensive technical systems operating throughout the CSFR, such as the transportation and communications infrastructure network, while maintaining continuity in relations with other European states.

3. Guarantee single, independent expert supervision of safety at nuclear installations with regard to fulfilling our international obligations.

4. Develop a concept for a functioning housing policy in a market environment, including a chronological course of action in adopting legislative, economic, and organizational measures.

V.i. Finance Policy

a) Budget Policy

The government is aware that all state budgets will be under considerable pressure by the end of 1992. Therefore, the state budget cannot serve as a means of rejuvenating the economy, unless we want to cause upheaval in the state's finances.

The aim of budget policy must be to continue to avert a deficit. As far as the federation's state budget is concerned, this means it will be necessary to more thoroughly regulate its expenditure and to adapt it to development in state revenues during the remaining part of the year. The government, in cooperation with republican organs, will intensify its efforts to prevent tax evasion.

The government envisages maintaining the current system of budget rules for this year. Beginning in 1993, the redistribution of resources by means of the federal budget, including the mechanism for joint revenue, will

come to an end. The federal budget's expenditure will be kept to a minimum and will be used to finance the joint organs' activity, including the foreign service and defense. This budget's revenue will be made up of revenue from the joint organs, customs, and so on, and from contributions from the republican budgets based on the principle of parity and proportionality.

The government will assert the rapid completion of tax reform and the establishment of a communications system between financial and taxation administrations.

The government undertakes to complete the legislative steps for instituting social security and employment funds.

b) Monetary Policy

The government will continue to support Czechoslovak State Bank policy aimed at monetary and exchange rate stability and at expanding domestic convertibility as a prerequisite for the prospective introduction of the complete convertibility of the Czechoslovak koruna. The government will endeavor to ensure that the Czech and Slovak Federative Republic's foreign indebtedness is maintained at a level corresponding to its economic potential with the proviso that transformation will not be implemented to the detriment of future generations.

The government will support the rapid development of the capital market and the creation of a competitive environment in the banking sector. It will endeavor, in cooperation with the Czechoslovak State Bank, to establish a reliable and well-functioning commercial bank system. It will also erect more effective barriers to the entry of "dirty money" into the economy.

No matter how the constitutional and legal arrangement is resolved, savings and property belonging to citizens and enterprises will not be endangered.

c) Prices and Wages Policy

The government will continue its policy of price liberalization in relation to privatization and demonopolization policy. The government will strive for continuous adaptation of the maximum prices in publicly administered properties [statky] to the development of input prices with regard to the income situation of these properties' customers. The aim of this policy is to prevent the development of serious inflationary impulses.

Depending on the course of privatization, the government will accede to further wage liberalization. It will not, however, permit wages development to negatively influence prices.

V.ii. Privatization

Privatization remains the government's fundamental priority as the main method for implementing systemic changes. At the same time, it is seen as the main instrument for restructuring the enterprises "from below," restructuring that is also gradually being manifested in the changes to the structure of the economy as a whole.

The main tasks in this sphere will be as follows:

—completing and assessing the first phase of large-scale privatization and preparing the second phase. Based on experiences gained from the first phase, the second phase should be founded on a preference for privatization methods guaranteeing objectivity and straightforwardness, including coupon privatization;

—establishing a secondary capital market.

It is necessary to devote a great deal of attention to a stable and clear legal framework in this sphere in order to prevent, among other things, an influx of illegal and untaxed money.

VI. The Structure of the Federal Government

In the immediate future the Czech and Slovak Federative Republic Government will guarantee execution of all existing jurisdictions and will propose a significant reduction in the central organs of state administration. The jurisdictions agreed upon will be transferred to the republican organs.

These changes, predetermined by a reduction in the number of Federal Government members from 16 to 10, will lead to a reduction in the number of federal ministries from 12 to five and to a significant reduction in the number of state administration staff.

The following federal ministries will remain:

1. Ministry of Finance;
2. Ministry of Foreign Affairs;
3. Ministry of Defense;
4. Ministry of the Interior;
5. Ministry for the Economy.

The government will ensure that the reduction in the number of ministries and the transfer of jurisdiction will be implemented by the end of September 1992 at the latest.

The government will propose abolishing the Federal Ministry of Labor and Social Affairs. After the necessary changes have been made to the appropriate federal and republican laws, its jurisdictions will be transferred to the republican Ministries of Labor and Social Affairs and, where appropriate, some jurisdiction will be transferred to other federal ministries (Ministry of Finance, Ministry of Foreign Affairs) or to the Office of the Czech and Slovak Federative Republic Government under the authority of the appropriate deputy prime minister.

A similar task awaits the government in the environment sphere. The jurisdictions of the Federal Environment Committee, after the necessary changes have been made

to the appropriate federal and republican laws, will be transferred to the republican Environment Ministries and, where appropriate, some jurisdiction will be transferred to other federal ministries (Ministry of Finance, Ministry of Foreign Affairs) or to the Office of the Czech and Slovak Federative Republic Government under the authority of the appropriate deputy prime minister. The government will guarantee elimination of the ecological consequences of the deployment of troops in Mlada and Ralsko. The future use of these areas will be decided upon by an international public competition.

Foreign trade will gradually be implemented directly within the jurisdiction of manufacturing organizations and export organizations on a commercial basis. The jurisdiction of the Federal Foreign Trade Ministry will be narrowed down. However, the Federal Foreign Trade Ministry is still responsible for formulating the Czech and Slovak Federative Republic's foreign trade policy concept and for guaranteeing its implementation in contacts with organs from other states. The government will propose that the Federal Foreign Trade Ministry be abolished and that its jurisdictions, after the necessary changes have been made to the federal and republican laws, be transferred to the Federal Foreign Affairs and Economy Ministries. The Central Customs Administration comes under the jurisdiction of the Federal Ministry of Finance.

The government will propose abolishing the Federal Control Ministry. Specific Federal Control Ministry activities will be transferred to the republics' jurisdiction. After the Office of the Czech and Slovak Federative Republic Government is constituted as a state administration organ, the select activities associated with the CSFR Government's jurisdiction in this sphere will be guaranteed by the appropriate department of this office.

The government will propose abolishing the Federal Ministry For Strategic Planning and transferring its jurisdiction in a reduced form to the Federal Economy Ministry.

The execution of activity currently guaranteed by the Federal Office for Economic Competition will be amended by a constitutional law.

The government will propose abolishing the Federal Transportation and Communications Ministry as a central state administration organ. Following an agreement with the national governments, individual jurisdictions will be transferred to the appropriate republican ministries on the basis of the appropriate legal measures. Coordinating jurisdictions will be maintained by the federation. They are necessary for linking both republics to the international infrastructure network. These coordinating jurisdictions will be transferred, after the necessary changes have been made to the appropriate federal and republican laws, to the Office of the Czech and Slovak Federative Republic Government under the authority of the appropriate deputy prime minister.

The activity of all the aforementioned federal state administration organs will come to an end by 30 September 1992.

VII. Conclusion

If it is empowered to do so, the government will guarantee the transfer of tangible and intangible property [hmotny a nehmotny majetek], including obligations, and the transfer of jurisdiction from the federation to the newly evolved entities.

The government realizes that its policy statement is under the sway of the time frame for its mandate. It is prepared to appear before the Federal Assembly with an expanded policy statement that will respect the solution to the Czech and Slovak Federative Republic's constitutional and legal arrangement.

Havel Interviewed on End of Czechoslovakia

AU2707072992 Prague RESPEKT in Czech No. 29 20-26 Jul 92 pp 3, 4

[Interview with "last CSFR President Vaclav Havel" by Ivan Lamper and Vladimir Mlynar; place and date not given: "Czechoslovak Statehood Has Come to an End"]

[Text] [RESPEKT] You have resigned from the post of president. Even though this step was to be expected, as soon as it happened it somehow shocked, or terrified, most people. Something has come to an end for good. Is that your feeling as well?

[Havel] It is likely that the 74-year-old Czechoslovak statehood is coming to an end to make room for a different statehood, one that, at least initially, will apparently take different forms in the Czech and Slovak Republics. In a way, it is only now that the November [1989] revolution is coming to an end, that the period is ending when communists could be blamed for all evil. The tough life of a democratic state is beginning. To put it in familiar terms, the fun is over. One can also often hear the cliche that the period of dissidents has ended and the era of pragmatic politicians has come. I do not think that it is that simple. After World War II, resistance fighters had first been celebrated in Germany, only to be pushed aside after some time because society felt it needed politicians with whom it could identify, politicians who had gone through the same things as ordinary people, who were neither overly tangled up with Nazi power nor engaged in open resistance against it. Society simply could not bare having to look into a moral mirror. It was not before the mid-fifties that resistance fighters started returning to politics again and created the democratic establishment of German society. It is quite possible that the situation in the postcommunist countries will evolve in a similar way.

It Was Not Me Who Buried Masaryk's Republic

[RESPEKT] You have been Czechoslovak president for two and one-half years. How would you evaluate this period? In what areas have you been successful and in what areas have you failed?

[Havel] It is rather difficult to distinguish personal successes and failures from general successes and failures. Czechoslovakia has become an independent and democratic country that is respected by the international community. Perhaps, I have contributed to this a little bit. Yet this definitely is not just my success, it is the success of everyone who did anything for it in his own field, including you, journalists, without whose free writing we would not be a democratic country. And whose failure is it that we did not manage to build a reasonable and equitable federation and to adopt a good constitution of a democratic federal state? Is it my failure? Or parliament's? Or is it the failure of all of us, of the entire society? Apparently, only an independent historian will be able to determine, with the passing of time, the degree of responsibility of various individuals and social forces for all the good and bad things that have happened.

[RESPEKT] You worked very hard toward the preservation of the common state. Do you view today's reality of the CSFR's breakup as your own defeat? Are you prepared to face attacks from your political adversaries as the man who "buried Masaryk's republic"?

[Havel] If someone is the president of a state, it is his natural duty to look after the existence of this state. Of course, I have been trying to preserve our state not only because it was my duty but also because I considered a federation to be superior to two independent states. However, at the same time I tried to contribute to a more equitable internal arrangement of the federation. If we split into two states, I will not regard it as my defeat. After all, I am not dividing this state, that is at least what I think. Not even Mr. Meciar is dividing it. If it splits, it will happen under the pressure of some historical necessity, expressed in the will of the voters. It seems that Slovak society's need to stand on its own feet, with all the consequences this will have for it, is stronger than we, advocates of the federation, assumed. I certainly do not have the feeling of having buried Masaryk's republic. Quite the contrary, I have been doing all I could for it to survive. I could have possibly done it better. But even had I done it one thousand times better, I as an individual could hardly keep it together in the absence of a general will to keep it together. This general will was apparently lacking, otherwise the republic would not be confronted today with the realistic alternative of its partition. With a bit of demagogy, I could even turn your question around and ask why I had to participate in the funeral of a child that was apparently condemned to death by the very method in which it was once brought into the world, without my participation? To make myself clearly understood: I do not think that it was a bad idea to found Czechoslovakia. I am only asking whether that idea could not be executed in a better way. It may have not been possible at that time, I do not know. I do not want to be a general [who is wiser] after the battle. Incidentally, I do not consider the possible partition in itself to be a fatefully tragic matter. The more important thing is whether Czechoslovakia will be transformed into two free, democratic, peace-loving, and prosperous states. If it will, there is no reason to cry. If it will not, only then will its partition become truly serious and sad. There are higher values than the size of a state

A Referendum Is No Longer Possible

[RESPEKT] How do you view the possibility of calling a referendum?

[Havel] A referendum in the form for which I was fighting for two years—that is, asking citizens whether they wish partition—is, apparently, out of the question today. That is also why there is no will to call it. Those fixed upon it view it as the sole constitutional method of dividing the state or still believe in saving the common state. Naturally, a ratification referendum as proposed by Mr. Meciar is conceivable, yet the appropriate law would have to be adopted first. This originally controversial method, perhaps, appears to be the only possible solution.

[RESPEKT] You said that those who still believe in the common state are fixed upon the referendum. Do you yourself still believe in the possibility of preserving Czechoslovakia?

[Havel] I still believe that a common state is better than two republics. I am a realist, however, and see that there no longer exists sufficient political will to preserve the common state. I am drawing conclusions from it and considering what to do next.

Two Traditions

[RESPEKT] What is Czech interest at this moment, in your opinion? On which ideals should the Czech state be founded and of what should it beware?

[Havel] There are some motives in the history of Czech thought and in Czech statehood on which it is possible and, in my opinion, necessary to build. One of them is the idea that "Czechness" alone is not enough, that it is not something that is flying somewhere high up, at the very peak of all values, but that it assumes meaning and fulfillment only by the manner in which it accepts tasks that are so-called universal tasks and by accepting responsibility for human lot in general. We are not here just for our own sake and if we pursued principally and solely our own interest we would not get far. I am convinced that the restored Czech statehood must have its own spiritual and moral dimension, that it should in its own way lean on our humanitarian traditions that can be found in the sphere of thought and in the sphere of statehood. It is a tradition of faith, spirituality, tolerance, erudition, and so forth. It is represented, for example, by Prince Wenceslas, Charles the IV, John Huss, Chelcicky,

Comenius, George of Podebrady, Bratrici [group of Czech Hussites who went to Slovakia after the defeat of the Hussite movement in Bohemia in the 15th century and spread the Hussite ideology in Slovakia, initiating uprisings of the peasantry against the clergy and other landowners], and also by T. G. Masaryk. Of course, we also have other traditions, traditions that are possibly just as strong, such as Czech collaborationism or Czech cantankerousness.

A fast and consistent transition to a market economy is inevitable and we all—or, to be more accurate, the majority of citizens—wish it, but it is not enough as a program or as the idea underlying the existence of a state. I am confident, however, that precisely those Czech humanistic traditions will help us reach that goal.

[RESPEKT] What is your assessment of the importance of Vaclav Klaus and his role today? What role will he play, in your opinion, in an independent Czech state?

[Havel] I respect Vaclav Klaus for his industriousness, calm, and perseverance in pushing through systemic changes in our economy. Recently it has become apparent that he is also a good politician: He managed to build a party and deserves the main credit for its electoral success. If our state splits, Vaclav Klaus will undoubtedly play a significant role in Czech politics. The fact that I am of a somewhat different mind and mental disposition changes nothing about my respect for him. That is nothing unusual, however. If all politicians resembled each other like two peas in a pod, politics would be extremely boring.

[RESPEKT] How do you see your political future after the CSFR's partition?

[Havel] I have repeatedly stated that my temperament probably will not allow me to disappear from public life. I have opted for such a "disappearance" or at least a "holiday" one thousand times in my life but I have never lived up to that resolution. Right now it is difficult to estimate whether my public activity will involve direct political work. But I do not rule out even that a priori.

Foundations of the Czech State

[RESPEKT] Which electoral system would be the most appropriate one for a Czech state, in your opinion?

[Havel] As you know, some time ago I proposed that the Federal Assembly adopt a different electoral law from the one we have now. My draft was based on a combination of majority and proportional systems. I have spoken and written a great deal about the advantages of such a combined system. I hope that now, with more time for writing at my disposal, I will return to this subject matter and will try to explain once again and in detail why such a system would be better for us. Our last elections and the composition of the parliaments that emerged from them have only confirmed me in that conviction. Even if Czechoslovakia splits, it does not seem likely that new parliamentary elections will be held very soon. We will thus have more time for a business-like debate about the most appropriate electoral law.

[RESPEKT] What powers should the president have? Do you advocate direct election of the head of state?

[Havel] I am not of the opinion that some type of so-called presidential system should be introduced in our country, under which the president is the actual chief of the executive branch. Although the president always belongs to executive power, in our country his mission should be different from the government's mission—if for no other reason than for reason of tradition. That is not the only reason, however. Instead, he should play the role of a constitutional safeguard in the event of various crises, such as conflicts between parliament and government. He should, for example, have the right to dissolve parliament and call new elections if the government repeatedly fails to obtain parliament's confidence or, alternatively, he should have the right to appoint an interim caretaker government. He should also have the right to return laws to parliament, which, if it chose to ignore the president's objections, would have to pass the laws in question by a more qualified majority. Again, this principle, which is common in other countries, has the character of a certain democratic safeguard. Let us imagine, for example, that a party that has more than 50 percent of the seats in parliament starts adopting laws designed to fix its hegemony forever (to do that, it need not even anchor the principle of the leading role of one party, this can be done in far more sophisticated ways). Good constitutional systems ward off such and similar dangers, which may seem to be only hypothetical today. They do so, usually, by making sure that there is yet another institution that can in the very least complicate the situation for parliament, should its majority start behaving undemocratically. This role is played either by a second chamber of parliament (Senate, Federal Council, etc.) or by the president, or by both. It seems to me, however, that, if the president is to have the mission I have just outlined, he should not be accountable to the same institution as the government. If parliament can recall the president at any time, in the same way as it can "recall" the government, the president ceases to be a safeguard. The constitution of 1920 knew this: Although the president was elected by parliament, he was not accountable to it and could not be recalled by it. Responsibility for his deeds was borne by the government. The system would be even cleaner, in my opinion, if the president simply had a different type of legitimacy than the government or if his legitimacy were derived from a different institution than the chamber of parliament that passes the vote of confidence in the government. He could either be elected directly by citizens, as is the case in Austria, Portugal, and other countries, or by a different chamber of parliament, or by a parliament extended by representatives of lower self-administration bodies (as is the case in Germany), and the like. Hence, I do not think that a direct election is the only possibility (even though it has various generally accepted advantages). The only thing that matters is for the president to have a "different" kind of legitimacy.

Federation as a Dissident

[RESPEKT] Are you afraid of a radicalization of the political scene after the CSFR's partition? If you are, how will this radicalization be manifested, in your opinion, and how can it be resisted?

[Havel] I firmly trust that, should independent Czech statehood be restored, various political forces will realize that they must restrain themselves a bit at such a crucial moment and act in support of the state [pocinat si statotvorne] or, in the very least, that they will display the will to reach consensus. On 17 July I had talks with several representatives of political parties and I gained the impression that this is possible. In the absence of this, the newly formed state would be in a very difficult situation.

Of course, a worse scenario is also conceivable. I can imagine, for example, a fragmentation of the political scene as in Poland or the supplanting of the state by political parties. What worries me is that those dangers are not being taken into consideration. This is connected with the drafting of the constitution and the electoral law. What I do not like is that the constitution, which must not be a political issue, is being prepared by politicians. The constitution should be a "technical manual" for a functioning democratic system.

[RESPEKT] The federation still exists, at least on paper. In the last couple of days sharp attacks against Hungarians have appeared in Slovakia. Do federal bodies avail themselves of some means to prevent violations of human rights by the Bratislava government, should there be any? How would you react to an escalation of discord between Hungarians and Slovaks?

[Havel] As long as the federation exists, it must see to the observance of human and civic rights across its entire territory. It is evident, of course, that the weaker federal power is, the more difficult it is for it to live up to its commitment. Federal power is now almost in the position of a "dissident." It can protest, but it will hardly change anything. The Slovak Government has respect for minorities in its program and, so far, it has done nothing that would violate it in practice. I regard it as a serious matter, however, that during the sovereignty vote in the Slovak National Council, a large majority rejected the proposal that the declaration contain the commitment that the rights of minorities will be guaranteed also in the Slovak Constitution. This is a signal of grave political consequence. However, the dangers that exist—the amendment of the language law or the redrawing of districts in southern Slovakia—have still not materialized. I will protest against such things, even as a private citizen without any political function, I will protest against violation of laws. I have always done that.

[RESPEKT] We have been hearing for two years that relations between Czechs and Slovaks cannot be compared with those among the nations of former Yugoslavia. However, the conflict in Yugoslavia grew precisely out of political signals such as those we are witnessing in our country today. Are we not succumbing to unfounded optimism when we say that there is no threat of "Balkanization" here?

[Havel] A conflicting situation such as the one you are referring to is, naturally, conceivable. The fact is, however, that Czechs and Slovaks, unlike, for example, the Croats and the Serbs, have never waged an ethnic war against one another. There has never been any real enmity between our nations. Moreover, there are no ethnically mixed or disputed territories here.

Too Much Modesty Is Not Good

[RESPEKT] After your return from the Helsinki [CSCE] summit, you said on television that many Western politicians let you know that they would feel sorry if you left the political scene completely. What made you say this? Was it the fear that there is no Czechoslovak politician and journalist who would be willing to communicate this foreign assessment of your person to the domestic audience, instead of you?

[Havel] You apparently want to say in a polite way that it is inappropriate for me to speak about someone's positive assessment of myself. You are right, I said it with great reluctance. Nevertheless, I tried it quite deliberately because in the two and one-half years in high politics I noticed that too much modesty in politics never leads to anything good. I simply tried it and waited to see whether anyone would notice that I had broken my previous habit. As far as I know, you are the only ones to have noticed.

[RESPEKT] Most former dissidents usually explained their involvement in politics as a "necessary sacrifice," "service to society," and in other such terms. Jan Ruml was the first to violate this. When asked recently why he accepted the post of Czech minister of interior, he replied that he enjoyed the job tremendously. Does something similar apply to your possible decision to run for the post of Czech president, should that post be established?

[Havel] First of all, I have never said that I would seek the post of Czech president. I only said under what circumstances I would be able to consider such a possibility. But to come back to your question. I enjoy everything that is meaningful and leads to some good end. In this sense I "enjoyed" both dissidence and the presidency. At the same time, they both complicated my life and I did both as a "service to society." In other words, I do not know the exact difference between pleasure from work and service to fellow citizens. I simply derive pleasure from serving fellow citizens.

CSFR Foreign Minister on Division Concerns

LD2507082392 Prague Stanice Ceskoslovensko Radio Network in Slovak 1600 GMT 24 Jul 92

[Interview with CSFR Foreign Minister Jozef Moravcik by Aloiz Valent; date and place not given—live or recorded]

[Text] [Valent] Minister, yesterday's talks between the Civic Democratic Party [CDP] and the Movement for a Democratic Slovakia [MFDS] have sent a signal abroad that the split between our two republics will not be like the situation in Yugoslavia. This is because the representatives of both nations are capable of reaching an agreement in a cultured, calm, and rational manner. The Foreign Affairs Ministry can play an important role in this.

[Moravcik] We realize this and have included it in our policy statement. We are therefore developing activities to implement in our foreign relations what the representatives of the main political forces in our country have now agreed. We are endeavoring to explain to our foreign partners what is at issue in our country and win their understanding. We are endeavoring to prepare our foreign relations, or rather stands, for our partners in order to make it possible, should the state be divided, for the two states of the former CSFR to continue on the whole in a coherent manner in terms of the policies that have been carried out up to now.

[Valent] At the beginning of this week we read a statement by the German foreign minister in connection with our internal political situation in the sense that the European Community is going to leave an open door for Czechoslovakia to enable us to gain entry in any formation.

[Moravcik] This pleases us very much. Such statements give us hope that the main political priority of our foreign policy—to continue integrational trends—can be realized. We consulted about this with representatives of the European Community, specifically with Mr. Delors, and learned what was for us a very interesting point, and that is that should disintegration in our country be halted at a level of present relations within the EC, it will not be necessary to alter the association agreement. Therefore, the whole process of integration will be continual and nothing will have to change in the initial transitional period. We have confirmed with other sides the signal which has come from Germany. We will intensify our policy in this direction. This means that we will focus primarily on ensuring that both republics, even if the state splits, can be fully integrated into Europe in the shortest possible time.

[Valent] If you allow me, I would like to mention the statement made by German Chancellor Helmut Kohl, who declared at a news conference in the middle of the week that it is an internal matter between the Czechs and Slovaks as to how they decide their development. I hope, he said, that based on what I have just learned a solution will be found that will not lead to a complete division of the state.

[Moravcik] The completed agreements constitute a basis for an internal political solution, but one has to say that the whole process of searching and seeking solutions is far from completed. This is because the most important political forces which have now reached agreement on the constitutional solution do not constitute the decisive majority in parliament. This means that in order to push them through constitutionally, which requires a constitutional bill, further talks will be needed and other alternatives sought. I am convinced that enough strength will be found in both republics to halt the whole disintegration process, which has logic and the law of inevitability on its side, at a level and degree that will ensure the realization of the interests of both republics.

[Valent] Not only do we not want this, but people abroad also cannot see us as a factor of disintegration in Central Europe with symptoms of destabilization.

[Moravcik] From the beginning we have been trying to explain to the outside world—and I believe this—that we have been successful or are beginning to be successful in this respect, that we have been trying to present our situation in such a way that although this is a process of disintegration its aim is to create a basis for a new integration. The present difference between the representatives of various political parties and groups lies in what should constitute the basis for new integration. Should it be a total separation of the two states or should it be a basis which will leave and conserve certain elements, that is, a common economic space, customs union, free movement of goods, capital, and people, and possibly a monetary union. This is the main area within which internal talks between political parties should move and within which the optimal variant of a solution should be found.

[Valent] Minister, this is the direction toward which I have been heading, toward matters concerning the economy of the state and also its prosperity or instability if it is not a crisis state. Foreign policy impacts greatly on how our foreign trade is going to fare. Surely no one wants it not to prosper?

[Moravcik] This is a very significant factor. In order to cause as little damage and losses by this whole process as possible—because I think that the issue is to minimalize losses since certain losses will probably occur—losses should be balanced in the long term by the adaptability of this environment improving and because the activity of both these subjects will be more effective in the economic sphere. [sentence as heard] This minimalization of losses can be ensured in two ways. In the first place, we have to carry out all these measures as quickly as possible in order to reach a stable environment as rapidly as possible both from the internal and the international viewpoint. There are chances to achieve such a stability in a relatively short period under the precondition that all political partners take a reasonable stand on this matter and that they raise the issue of historical continuity with a certain perspective for the future. The second way to minimalize losses is to find an optimal level of disintegration, or to find the most optimal basis from which a further, new integration process between both republics should take place, resulting in integration within Europe.

[Valent] From the declaration issued at the end of the talks between the CDP and MFDS it emerged that a jointly coordinated foreign policy will be pursued. What is meant by this precisely?

[Moravcik] As far as jointly coordinated foreign policy is concerned, it is at present an area which will require further clarification. Further discussions will apparently take place in this respect. We can foresee such a degree of coordination as is currently applied within the European Community.

Meciar Interviewed on Common Interests

LD2407201892 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 24 Jul 92

[Interview with Slovak Prime Minister Vadim Meciar by Sona Jesenska; place and date not given—recorded]

[Excerpts] [Jesenska] Mr. Prime Minister, today it is relatively difficult to speak with you without mentioning 22-23 July when you held interparty talks with Mr. Vaclav Klaus. [passage omitted] On the other hand, many relatively important political forces on both the Czech and Slovak scene are saying that your initiative directed at the adoption of the constitutional bill on the division is impossible since the deputies of the Federal Assembly swore an oath of loyalty to the Czech and Slovak Federative Republic.

[Meciar] This complex of issues is not so complicated if we look at it part by part. In the first part we said that the proposals for the solution of the problem of the division of powers were being prepared very initiatively in the federal bodies and should reach the final stage by 29 September. That means that an attempt is being made within the framework of the federation for the search of some kind of minimal common interest. The second step is the question of a different type of state set-up. This different type of state set-up is possible, but to be able to start saying what it will be like and when it will be, we must speak about the common interests of the Czechs and Slovaks. The last two years led to the failure of the attempt to achieve equality in the federation. The search for another type of state set-up, also in view of the processes which are taking place in Europe, is open. If the nocturnal consultation—nocturnal dialogues—was significant in any way, it was in the fact that for the first time we had tried to define the sphere of common interest and on the basis of this interest try to reach an arrangement of mutual relations.

[Jesenska] In connection with what you have just said, there are voices that are assessing, or assessing for the first time, your talks in the sense that it is as if you, that is both the Civic Democratic Party [ODS] and the Movement for a Democratic Slovakia [HZDS], were pushing the issue of a referendum, or the possibility to resolve the current situation through a referendum, to the backround, and that there are forces, both on the Czech and Slovak side, that give priority to a referendum.

[Meciar] This is not true. A referendum has been a subject of talks for a very long time. But let us look at today's constitutional state of affairs. If one republic holds a referendum on the withdrawal from the federation then the other republic will have better chances as far as succession rights are concerned. In other words, a referendum would turn against the one that would be organizing it even though he were successful in it. In order to remove this loophole in the legal system we have proposed a bill that would legitimise the way of a break-up of the state should it occur. This bill should take over what is common in international law and make it our law. But at the same time we want this very same bill to define clear consequences. Let us take the situation where we would fail to reach an agreement on the issues of succession and where issues of property relations would not be resolved. What would happen then? Uncertainty in relations with foreign countries since we are binded by more than 2,000 agreements, uncertainty at home since the Czechs and Slovaks would immediately start to argue about outstanding debts, and succession rights to property. This is a conflict. In order to prevent it we have decided to wait. Referendum is one of several proposed ways and these things must be resolved in relation to each other. We have again assured the Czech side that even if a state agreement is signed, and we presume it will be, we will want it to be ratified by citizens in a referendum.

[Jesenska] Not long ago, I do not remember the exact date, but I think it was last week, we heard Federal Prime Minister Jan Strasky saying that it was not as important to observe the Constitution when tackling a constitutional set-up as it was to ensure peace and prevent conflicts. Are you prepared, under certain circumstances, to respect this view? [passage omitted]

[Meciar] If Mr. Strasky speaks about peace—then yes. Nevertheless, peace has to be agreed upon. The way of turning the other cheek is also a peaceful way, but somebody is beaten. This is why we speak about a constitutional way when regulations respecting the interests of us both are agreed upon and thus there is peace and a peaceful development in both republics without damaging citizens' fundamental interests as well as economic and foreign interests of the two republics.

[Jesenska] In the "Events and Comments" broadcast on 23 July we heard and in some Slovak dailies today we read the results of an opinion poll. [passage omitted] Both in the Czech Republic and the Slovak Republic the majority of people are in favor of a federation. A lower number of them favor a confederation and the smallest number of people are at present in favor of independent republics. How far will you comply with such results in your future talks with your political partners?

[Meciar] An opinion poll can be used as guidance, but it is not a binding norm. It can for instance prove among other things that citizens do not understand sufficiently the difference between these two systems and do not understand sufficiently the pluses and minuses of any

type of a constitutional set-up. [passage omitted] Therefore what is needed is a lot of education, and much explanation to be done in order to enable citizens to assess things objectively. [passage omitted]

[Jesenska] In your view, what are the steps which the Slovak Government must take in the present situation? What stands ahead of it in fact?

[Meciar] Our work is immensively responsible, but what matters above all is to secure normal life and functioning of all the state bodies as well as to secure certain guarantees for our citizens. The first difficult task is to put together the 1993 budget and adjust tax systems, tax laws, and determine the subject to pay tax to the Slovak Republic. We have to achieve for the first time the implementation of the principle that everybody pays his own way, taking into account also funds. The second principle is the constitutional set-up which we have to secure. It is necessary to solve external relations and shortly we are going to be involved in great diplomatic activity aimed outside. We have to tackle security issues, and changes in the structure of state administration. [passage omitted] This period is extraordinary important for us and therefore no leaves will be unturned.

[Jesenska] Among financiers and bankers, some ministers, above all ministers in charge of economy, do not enjoy a good reputation. There are even views voiced that in comparison with ministers in charge of economy in the Czech Government the ministers of the Slovak Government are the third league.

[Meciar] It is common to wait 100 days and only then to assess the work. I am aware that there are many former supporters of ODS and HZDS among the bankers. Thus, their stands can be politically motivated and not professional. [passage omitted] As far as our relation to banks is concerned, we have to achieve real agreements as it is necessary to cover deficits in the state budget. This cannot be done without banks. If a currency is to be created, if we are forced to create Slovak currency, this cannot be done without banks. [passage omitted] As far as the assessment of the qualities of the political representatives is concerned, I take the liberty to say, with all responsibility, that the Slovak representatives are at least equal to the Czech ones. There is no sphere where we would be worse off.

[Jesenska] In any case it is possible to say that the Slovak Government does not include a macroeconomist?

[Meciar] It includes more people from practical life. [passage omitted]

[Jesenska] To end our interview, Mr. Prime Minister, I would like to return to yesterday's statement made by Janos Fothy, the Slovak National Council deputy for the Hungarian Christian Democratic Movement, in an interview given to the Austrian agency APA, in which he said, besides other things, that if the rights of the Hungarian minority were not respected in independent Slovakia then his party will ask the Hungarian Government to assist in finding help from international organizations. [passage omitted]

[Meciar] Some politicians of Hungarian nationality are playing a very dangerous game. It is the game for the peaceful life of the citizens of south Slovakia as well as for their prospects and securities. First, if they are fighting against the infringement of human and civic rights of the Hungarian minority, let them say what is the infringement. They have not registered, not proven, a single case of infringement, but they keep speaking about it. The problem of minorities is not a problem of relations between Slovaks and Hungarians. Why there are minorities in every state. That is a European issue and that is why we submit to European supervision, and what occurs? Instead of legitimizing the Council of Europe as the body of supervision, our Hungarians, or some of them, threaten having the Hungarian Government assume the right to control the observation of laws on our territory. That is a gross violation of the sovereignty of the Slovak Republic. The Hungarian Government cannot let itself be party to this without jeopardizing our relations. Second, the erection of ethnic borders and their designation as decisive always led to conflicts in Europe. It led to conflicts for which those who initiated them paid with their blood. We do not want this. That is why I am speaking about it. This is not trying to scare anybody. This is pointing out the consequences. Ethnic borders cannot be drawn anywhere in Europe because the borders of states are defined according to different criteria. To belittle the significance of these borders or to underestimate them is wrong. And these gentlemen politicians—and I must excuse the term—must be reminded that they are citizens of the Slovak Republic and if they speak of civic principles, of the observation of citizens' rights, then it applies to them as well as to the citizens of this republic. If they do not want to respect the laws of this republic then let them say so. If they want to speak about specific solutions of the problem then let them identify that problem. If they speak about autonomy, then we ask: What do yo want to do with the Slovaks who live there? We cannot move more people. The region is a mixed one after all.

So those are unwise steps. We find that such steps are being taken everywhere where there are Hungarian national minorities. Nobody does this in Europe with the exception of the Hungarians. [passage omitted]

Meciar on Current Czech-Slovak Relations

AU2207103392 Bratislava SLOBODNY PIATOK in Slovak 17 Jul 92 p 3

[First installment of an interview with Slovak Prime Minister Vladimir Meciar by Jozef Sitko; place and date not given: "When the Prime Minister Returned (Once Again)"]

[Text] [Sitko] Prime Minister, when you were appointed prime minister for the first time two years ago, you told me in no uncertain terms that you would not answer any of my questions. Does this unequivocality and directness still apply today?

[Meciar] This principle has not changed at all. I have only one demand, or rather a wish, as regards reporters—let them write only what I say. Let them not put into my mouth statements that I have not said. As far as you are concerned, sir, I know you well, so I can trust you. I will not have to revise the text of this interview. You are one of those whom I respect.

[Sitko] We are going to begin with a controversial question: A representative of the Social Democratic Party in Slovakia said recently that the For a Democratic Slovakia Movement [HZDS] and the Civic Democratic Party [ODS] are now more interested in the constitutional arrangement than in people's social security. What would you say about this criticism?

[Meciar] It is possible to view the question of social security from different angles. One can take the short term view—that means, it is important to us what will happen tomorrow or the day after—or the long-term view, that is, we are concerned with what will happen in decades to come. If we are discussing the social security of Slovaks, then we are doing it only because we are concerned with two things—relations between Slovakia and Europe in general (after the fall of the blocs) and how Slovakia is going to be integrated in those pan-European processes in which it is advantageous for Slovakia to become an equal partner, despite the fact that Slovakia will be at a disadvantage for a transitional period. On the other hand, we are searching for a way of implementing economic reform. In this case it is advantageous to adopt certain solutions at the cost of having to face disadvantages later on. That is why there is no solution that would be entirely good or bad.

[Sitko] The HZDS and the ODS are of different opinions on the future setup of the state. Vaclav Klaus said on this subject in NARODNA OBRODA: "Slovakia wants to conduct its own economic policy, to have its own bank of issue, to fix its own exchange rate for its currency, and to establish its own interest rate, etc. Any attempts by Czechs to curb these efforts are destined to fail. It may seem that I am interpreting all problems as economic problems, yet it is just here that the key to a solution is. The constitutional arrangement will be decided at the moment we make a decision on the currency and budgets. We can transfer the common state's powers to the republics as much as we like, but we must not allow our currency and economy—that is all our people—to suffer." What can you say about the ODS chairman's words?

[Meciar] Our relations are a bit more complicated. We suggested that we recognize one another's statehood and the right of each of us to participate in international organizations and join international communities simultaneously. At the same time, we suggested that we retain a common market and single currency. We agreed with joint control over economic policy, we made concessions with respect to the bank of issue—it is all right if there is only one bank. If the existence of the Czechoslovak state is in jeopardy today, it is not because we raised these issues as an ultimatum. It is because two attitudes toward economic reform exist. One is the Thatcherite attitude pursued by the ODS, the other is the social-market-economy attitude that is pursued by Slovakia. Not because Meciar or the HZDS want it, but because the state of economic relations requires a different model. If we continued in the Thatcherite direction, Slovakia simply would not be able to bear this radicalism and would collapse. Our partner wants to destroy everything if Slovakia insists on its international status. This is not our policy. They are saying: you will either accept a federation, or we do not want to have anything in common with you. We are speaking in favor of retaining all spheres of interest that are advantageous to both of us. We respect the fact that what is not advantageous should be abolished. That is, Klaus's stance does not respect pros and cons of our coexistence.

[Sitko] Yet, some joint doctrine of foreign policy would have to exist....

[Meciar] We have an institution for that. There is the Federal Ministry of Foreign Affairs, which puts this coordination into practice. Moreover, this ministry has its representative organs abroad. These organs may become common if we adopt the parity principle in them. The structure of the ministry's organs meets our internal needs. This ministry would coordinate our activity abroad, which we would develop. According to our model, if we retained our common currency and defense, we would become two subjects having many common interests in foreign policy.

[Sitko] The American daily, THE CHRISTIAN SCIENCE MONITOR, wrote that it seems as if Vaclav Klaus and Vladimir Meciar had agreed on dividing the state all by themselves, disregarding the opinion of the people. For a certain period, Meciar was seen as the one to blame, but now it seems that the division is controlled by a strong supporter of the free market, Klaus, who is pushing for unrealistic demands of economic reform. What is your opinion about the entire problem?

[Meciar] We were taken by surprise during the talks with the ODS. We were surprised at the toughness with which the ODS entered the talks and the way they pushed for the division of Czechoslovakia. They push for an immediate division as an alternative to a federation. Sometimes they were stressing the federation, sometimes the breakup of the state. However, they do not answer our question: "What will happen after the separation?" So far, we have only received assurances that a kind of customs union would be established. That is all. We are suggesting that not everything should be abolished and then reestablished anew. We are saying, we have the

federation here—a common state—so let us transform this state and change our relations into confederative relations. Jurisdiction over some spheres, such as the market, finances, human rights, and defense could even remain unchanged. This is the difference between the Czech and the Slovak standpoints. We actually received an ultimatum—to reach an agreement on the division of the state not later than on 30 September. It is not the way the Slovak side understands the issue. We are still speaking about a type of transformation which involves our coexistence, while the other side speaks only about division. The ODS is, compared with the former Czech partner, more flexible and radical, it aims directly at the heart of the matter. They do not let details slow them down.

[Sitko] The public was informed about the talks with the ODS. Despite this I believe that many important things remained veiled in secrecy. The HZDS and the ODS are forcing us, the people, to move to a new type of house, which only a few knowledgeable ones know what it will look like....

[Meciar] I think that the public is not well informed about these talks. First of all, we reached a bilateral agreement that we would publish the minutes of the talks one year from now. The HZDS and the ODS attitudes are interpreted in a way that does not reflect the real content of the talks. Only results and conclusions have leaked to the public. The public does not know about the way we reached them and about the issues that remained open to solution in the future. We are speaking about the need to move to a new house, and the ODS ignores the fact that duplexes exist.

[Sitko] However, such a standalone house is not comfortable with respect to our economic situation, information barriers, and our position and representation abroad. These are very difficult things, and it would be tough for a small country to manage it.

[Meciar] Slovakia, in a federation or outside it, must implement five basic programs: restructuring of the economy, developing small and medium-size business, implementing regional policy, opening ourselves to foreign investments, and augmenting our market space. If we take these factors into consideration, then there is a danger that our market space will be reduced by the Czech Republic's market space in the event we live in a separate house. If the model suggested by the ODS is adopted, a new currency would have to be established. Slovakia would have to have its own koruna, and it would have to make sure that all the normal market relations function properly. Moreover, Slovakia will only be gradually recognized by other countries. However, I do not doubt that they will recognize Slovakia eventually. Abroad, there is property estimated at approximately 150 billion korunas. This property is joint property and it would have to be divided. It is disadvantageous that within the ODS-proposed model we would be unable to guarantee respect for civic and human rights on the territory of both republics, which we wanted and considered to be important. For our part, we guaranteed respect for market and business interests. The other side guarantees these to a lesser degree. Today, the situation is too radical. It is impossible to see the consequences. The Czech side thinks that the Slovak side will retreat by 30 September, or that it will accept the disintegration of the state, while the Slovak side believes that an agreement will be reached on what we are going to do in the months to come. However, we think it is our moral and political duty to ask the people what they think about it. We should not follow the path of the so-called wild disintegration.

[Sitko] As it seems, the Czech side is accelerating the development and, I believe, we can hear that from the mass media, too.

[Meciar] Now, we are not playing for the existence of Czechoslovakia. The thing is, who will be to blame for the split. They are trying to persuade the Czech petit-bourgeois that they cannot live together with us, since it is simply impossible to get along with the Slovaks. They are explaining abroad that the Slovaks are an element causing the breakup, and that the elections in Slovakia did not turn out well. I do not blame the ODS alone. On the contrary, many attitudes adopted by Klaus are very appropriate. We have here entangled relations, which leads to the fact that the Czechs are looking more to the West than at their room-mate. In one of the discussions I told Mr. Klaus, that if they proceed in their own way, then I wish them good luck—in a couple of years they may want to establish Czech language interest groups.

[Sitko] Despite the businesslike tone, your agreements with the ODS include unknown and irrational elements that could lead to a gradual escalation of Czech-Slovak relations.

[Meciar] The escalation of Czech-Slovak relations began some time ago. There are internal processes that are coming to light today. Actually, this situation began after the Milovy talks. It is a state of demoralization, mutual mistrust, and disrespect for the partner. Today, we are actually explaining our ideas to one another. That is, what the ODS is saying is quite new to us, and what we are saying is quite new to them. If the ODS representatives met with me before the elections, or if I met with them, we would both lose the elections. We have stopped at the limits of the so-called wild disintegration. This means that the state would cease to exist because of the disintegration of its structures, the fact that it cannot function, and the decay of all the mechanisms of cooperation. Today the ODS is pushing for as fast a solution as possible. As of next year, they want both of us to have our own budgets and rules. On the other hand, we are of the opinion that any radicalism will damage the interests of both sides. An apple should be picked only when it its ripe.

[Sitko] Do you believe that, if you had remained in the post of prime minister, would developments in reference to the constitutional arrangement had taken a different course?

[Meciar] Certainly. The unwillingness to make concessions, the inability to find a concept, and the inability to provide prospects for the future was finally what pushed the Slovak side aside and damaged the Czech side, too. The development would certainly be different from what we see today. If the situation continues to develop as it is doing now, then the time will force us to take steps that no one has in his program and that we did not want to take.

[Sitko] There is something missing in the Bratislava talks: A mention about a constitutional division of the common state—a referendum. Was the word referendum not intentionally omitted from the text in view of the composition of the forces in the Federal Assembly (since there is a possibility of blocking constitutional solutions)?

[Meciar] A referendum was a subject of the talks in Brno. We agreed there that a referendum would be held in both Bohemia and Slovakia. We even agreed that the question will be the same. They told us in Prague that there will be no referendum in Bohemia, that it is a matter for Slovakia only. During the Bratislava talks, the demand was raised that the division should be done otherwise than by a referendum. They are saying that the Slovak National Council and the Czech National Council should make an agreement no later than 30 September. Our interpretation is that we want to agree on further steps to take (including a referendum). The Czech side interprets this matter as follows: We will agree upon a breakup (not on the sequence of further steps), since we do not want to lose more time. That is, we are defending the referendum as a principle. However, a referendum as described by law is not convenient for Slovakia. According to the first section of the law it is impossible to decide about the division of the state. It is only possible to decide about secession. In that case, the Czech side says that, as a successor state, it would be able to be in a better position when the property is being divided. Of course, there are some legal regulations that would make it possible to compensate for Slovakia's disadvantage. The text does not mention referendum, but we are making efforts for its realization [sentence as published]. We even had a dispute over the interpretation of the Constitution. One of the ODS deputy chairmen said that he was not prepared to respect a communist constitution. Our opinions differ over what is and what is not constitutional. We have not been given a mandate to divide the state. That is why I have not signed any agreement. I do not respect a division of the state in a way that would be contrary to the Constitution. The law is the law, and ideology is ideology. It is impossible, for ideological reasons, to respect the constitution when we like it, and not respect it when it is to our advantage. If we violate the law in one principal point of the legal system, then we actually question the principles of the entire legal system.

Carnogursky Discusses Republic's Division

LD2707161992 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 27 Jul 92

[Interview with Christian Democratic Movement Chairman Jan Carnogursky by reporter Milan Velecky, with announcer's introduction; place and date not given—recorded]

[Excerpts] [Announcer] On 24 July the leadership of the Council of the Christian Democratic Movement [CDM] adopted a statement which says among other things, and I quote: The CDM has always regarded statehood as a stage in history on which the citizens of Slovakia should be given chance to decide. This is one of the reasons why our colleague Milan Velecky asked the CDM chairman Jan Carnogursky the following question:

[Velecky] Mr. Carnogursky, don't you think that the citizens made this decision in the June parliamentary elections?

[Carnogursky] That is not quite certain since political parties which won the elections, both in Slovakia and in the Czech lands, did not include the division of the republic in their election manifestos. As a matter of fact even the Movement for a Democratic Slovakia [MFDS] did not include this issue in its election manifesto. So one cannot say that the voters already made the decision about the division of the republic in the June elections, or at least they did not make the decision consciously. [passage omitted]

It is true that the MFDS and Civic Democratic Party now possess the real political power to split the republic. They might even achieve this, but it will involve great risks on their part, since if difficulties later emerge and people change their views about these political parties, then they will be able to hold these parties responsible for dividing the republic in an illegal way and blame them for everything. By doing this the political parties are taking great responsibility upon themselves.

[Velecky] I will come back to the process of legitimizing the break-up of Czechoslovakia. You said that this can be done in elections, but there have already been elections. Do you think that there is no other way?

[Carnogursky] A referendum is another way.

[Velecky] The ruling parties are arguing that it is already too late for a referendum, and that we do not have enough time to call a referendum.

[Carnogursky] Really, the ruling parties are engaging in real politics and creating a real state in which sooner or later a referendum will really be relative, since the republic will be divided without a referendum. Yes, this is a real problem.

[Velecky] I will come back to the statement issued by the CDM Council in which the CDM expresses concern at internal developments in Slovakia following the June

elections. The statement also says that emigration from Slovakia is growing, in particular from among intellectuals. Where do you get this information?

[Carnogursky] We have information that pressure is being exerted on some journalists working in Slovakia to change the way they write. We have information that some intellectuals are making plans to leave Slovakia, to move away from Slovakia. For instance Martin Butora who until recently was an advisor to President Vaclav Havel. We have information that Ivan Hoffman is planning to leave Slovakia if the republic breaks up. Ivan Hoffman, who was a very prominent figure of Slovak dissent and resistance against communist dictatorship. We would regard this as a very unfortunate development in Slovakia which in this century have experienced already four or five waves of emigration.

Jeszenszky Denies 'Intervention Against Serbia'

LD2607201692 Budapest MTI in English 1857 GMT 26 Jul 92

[Text] Belgrade, July 26 (MTI)—"No reliable Hungarian political factor made any statements that Hungary would prepare for a political or military intervention to protect Hungarians in Vojvodina," Hungarian Foreign Minister Geza Jeszenszky said in an interview with the Novi Sad newspaper "MAGYAR SZO" (HUNGARIAN WORD).

In the interview, published on Sunday [26 July], Jeszenszky denied a Belgrade "POLITIKA" article claiming that Britain would otherwise "look with sympathy, at a possible Hungarian military intervention against Serbia, if it was in the defence of ethnic Hungarians in Vojvodina. [quotation marks as received]

On this score, Jeszenszky confirmed Hungary's commitment to the international diplomatic rules set for the protection of minorities in the UN Charter, the Helsinki Final Act, the CSCE and the Copenhagen closing documents.

Concerning British sympathy for the Hungarians and Albanians, Jeszenszky said that one can talk about "increased attention," and it is not indifferent either that some circles in London can see as far as Subotica and even Novi Sad.

Diplomat Protests Removal of Prefects in Romania

LD2407082192 Budapest Kossuth Radio Network in Hungarian 0700 GMT 24 Jul 92

[Text] The head of a department at the Hungarian Ministry of Foreign Affairs personally protested the removal of Hungarian prefects in two Romanian counties. (Laszlo Nikicser) arrived in Budapest just when the government's decision was made public, writes MAGYAR HIRLAP. The Hungarian diplomat warned his Romanian counterparts that such steps are not useful to anyone, that they incite tempers, and that they make doubtful the Romanian statements according to which Bucharest is endeavoring to improve bilateral relations.

Government Wants Information on Dismissed Prefects

LD2507181992 Budapest MTI in English 1145 GMT 24 Jul 92

[Text] Budapest, July 24 (MTI)—"The government is at a loss to understand the dismissal of the ethnic Hungarian prefects of the Transylvanian Harghita and Covasna counties, and would therefore like to receive information from Bucharest on the background of the decision," spokeswoman Judit Juhasz told journalists about yesterday's government meeting this morning.

Juhasz said relations between the two countries had recently begun improving, and talks on the Hungarian-Romanian Basic Treaty were progressing well. That being so, the government does not understand who is interested in disturbing ties with such measures.

Concerning the planned separation of the Czech and Slovak Republics and its effects on Hungary, the spokeswoman said that Prime Minister Jozsef Antall had been briefed about the situation through informal channels at last week's Vienna summit of the Central European Initiative.

The ministers reviewed the current state of the Gabcikovo project and discussed measures to make the Hungarian stretch of the Danube navigable.

The government requested parliament to amend the law on the freedom of conscience and religion so as to allow people to practise their religion within military institutions.

The spokeswoman could neither deny nor confirm journalist's information that extreme right-wing French politican Jean Marie Le Pen is coming to Hungary this October at the invitation of a Hungarian private individual. As the visit would be a private one, it is of no concern to the cabinet, she added.

Customs regulations and the operation of insurance companies are also to be streamlined along European Community lines. The government intends to present the customs bill to parliament in September. Outlining the bill to reporters, National Customs and Excise Office Commander Mihaly Arnold said that the new law gives equal treatment to entrepreneurs and private persons. Its basic function is to create adequate legal conditions for the collection of state revenues.

The National Customs and Excise Office is spending ECU [European Currency Unit] 800,000 on the computerization of customs offices under the PHARE [Economic Reconstruction Aid for Poland and Hungary] programme.

Regarding the insurance bill, Deputy Finance Ministry State Secretary Bela Batfai said the regulation aims to serve the development of the insurance market and the protection of policy-holders at the same time. Although the country has 13 insurance companies at present, two big organizations, Hungaria and the State Insurance Company, account for 82 per cent of insurance fee incomes. Sixty per cent of capital invested in the insurance business is in foreign ownership.

Jeszenszky Comments on Relations With Slovakia

LD2407102192 Budapest Kossuth Radio Network in Hungarian 0600 GMT 23 Jul 92

[Telephone interview with Foreign Affairs Minister Geza Jeszenszky by unidentified reporter—live or recorded]

[Excerpts] The news of the morning, and probably the day as well, is that the Czech and the Slovak leadership have agreed on the cessation of the federal state, that is, there will be no Czechoslovakia. [passage omitted]

Has the Hungarian diplomacy been prepared for this development? Foreign Minister Geza Jeszenszky is on the phone.

[Jeszenszky] I have just come from a tour of the Tisza river. I enjoyed the Tisza for four days, but I felt that the Czechoslovak situation mandated that this tour not be prolonged, at least for me. At the same time, I cannot say that this is an extraordinary or unexpected event for me, or for those who deal with politics. [passage omitted] Although one could not know for certain how or when it would happen, or whether they might find a compromise formula that might somehow preserve the unity of the state, I have to say that we are prepared for this.

[Reporter] Mr. Minister, what will happen with the Visegrad Three, then?

[Jeszenszky] Well, we should start from a wider perspective or from a longer time ago. After all, the part of Central Europe embraced by the Visegrad Three has been connected and cooperating throughout history. [passage omitted]

[Reporter] Last Thursday, I happened to participate in a roundtable discussion in Pozsony [Bratislava], where a Slovak colleague said that independent Slovakia will be a weak state where nationalism would have free reign. What is your opinion about this?

[Jeszenszky] Well, yes, indeed, that is why I referred to the fact that many things were promised before the elections, and I hope that not everything will be realized. That is to say, there are realistic fears within the international community, in the Czech, Slovak, and the Hungarian and other minority communities of Slovakia, that the possibility you have just referred to might be realized in some form. But I strongly believe that people, responsible politicians possessing independence and engaging in politics with responsibility, will carry out a realistic, pragmatic policy even beyond their own prejudices and preconceptions. That is to say, Hungary—as has been emphasized in this regard several times, not only by the government but by the opposition as well—can have only one type of behavior: Not promoting the realization of any tendencies but, at the same time, respecting the decision of our neighbors. We hope though that this Central European unity will not only continue to exist in some form, but will even become deeper. These countries—whether there will be three or four of them is a secondary question—all want to join the European integration and become members of the European Community. As a Slovak politician, I think Miklos Duray, recently said: A table with three legs is stable, but a table with four legs, built properly, is even more stable.

[Reporter] Mr. Minister, this morning we have repeated the news several times that the representatives of the Hungarians in Slovakia will have to ask the help of the Hungarian Government through international organizations if the rights of the Hungarian minority are not observed in independent Slovakia. This was said by a member of the presidium of the Hungarian Christian Democratic Movement, and he also added that they regard the way Austria undertook the protection of the interests of the German minority in South Tyrol as an example.

[Jeszenszky] Yes, we have long been thinking of the question of what kind of models are appropriate in Central Europe, and we often speak about the situation of Swedes in Finland as a model. This is still true, but now, the solution in South Tyrol reminds us of the situation of the Hungarian minorities, who were also separated from a historical country. This made their situation difficult and intolerance occurred, but after the second world war, the two countries with similar systems committed to democracy, and their leaders managed to channel passions in a positive direction on both sides, and a solution has been reached that will prove to be lasting and now, just a few weeks ago, they put an end to the debate. The governments of the two neighboring countries and those concerned, the Germans of South Tyrol, accept the solution that in fact means some kind of autonomy. From this point of view, seeking a similarity is understandable. It is obvious that a model cannot be copied, but many of its elements can be adopted.

[Reporter] It is all right that this is the Hungarian intention, but what are the Slovak intentions? Just recently, the Slovak prime minister's statement in the matter of military exercises caused trouble; that is, when the Hungarian side had to refute what Meciar said.

[Jeszenszky] Well, here I have to say that advisers with rich fantasies have obviously misinformed the Slovak prime minister. The response was unanimous from the Hungarian side as well, and the still existing Czechoslovak Government also controlled it in an appropriate form, and adopted a position completely identical to the Hungarian one. That is, it is very important not to be engaged in emotional politics, but on all sides—and now there are a lot of sides—politics led by interests and traditions should be realized. It is very important that this separation, even if a lot of people are not very happy about it, should be a constitutional, organized, peaceful process and, according to signs, this agreement shows that it will be so. It is very important that those concerned, particularly neighboring Hungary, look for a way toward further cooperation taking this fact into consideration and, at the same time, taking our interests and the interests of the Hungarian minority, and I can even say the interests of the Slovaks as well, into consideration to the greatest extent.

[Reporter] If we have to, or can, reckon with further provocations, how will the Hungarian diplomacy react to this? Will it ignore it?

[Jeszenszky] Well, look, I strongly believe that a state that just now wants to establish its complete sovereignty will not have time for foolishness. For Slovakia, it is vital, simply because of the state's small size, that

relations with its neighbors are settled to the greatest extent. We, with all our neighbors, are ready to endeavor for the best possible relations. If this neighbor is not Czechoslovakia any more but Slovakia, then it naturally also applies to the Slovaks—to whom Hungary, for that matter, is connected by a common past of more than a thousand years, by ties of family and blood. Therefore, it is an irrational debate. [passage omitted]

[Reporter] Mr. Minister, the last question: Is the Hungarian Ministry of Foreign Affairs prepared to transform the Consulate General in Pozsony into an embassy?

[Jeszenszky] Since we have a Consulate General, we are ready for this in principle. But we do not want to rush into anything. We, of course, do not want to influence this process, but if this process ends and the outcome of it is that, according to international law, unambiguously, two sovereign states are established, then, naturally, Hungary will take the appropriate steps immediately.

[Reporter] Mr. Minister, thank you for the conversation.

[Jeszenszky] Thank you.

Mexican President Arrives in Budapest

LD2607200592 Budapest MTI in English 1933 GMT 26 Jul 92

[Text] Budapest, July 26 (MTI)—Mexican President Carlos Salinas de Gortari arrived in Budapest on an official visit on Sunday [26 July] evening.

He was invited by President Arpad Goncz and Prime Minister Jozsef Antall.

Presidents Meet in Parliament

LD2707105392 Budapest MTI in English 0901 GMT 27 Jul 92

[Text] Budapest, July 27 (MTI)—Hungarian President Arpad Goncz met with Mexican President Carlos Salinas de Gortari in Parliament today. Salinas, who arrived here on an official visit on Sunday [26 July], was received with military honours in front of parliament this morning.

During the day, he is to hold talks and sign documents with Hungarian Prime Minister Jozsef Antall. In the afternoon, Salinas is to visit Budapest's Trade and Investment Information Center, where he will deliver a closing address at a seminar for Mexican and Hungarian business people.

President Goncz and Prime Minister Antall are to give a gala dinner in Salinas's honour tonight.

Slight Growth Noted in Industrial Production

LD2607100492 Budapest Kossuth Radio Network in Hungarian 0700 GMT 26 Jul 92

[Text] Industrial production in the first five months of the year showed a slight increase compared to the period directly preceding that. According to information from the Finance Ministry, the branch is still characterized by a lack of demand. In the first four months of the year the sales of industrial products decreased by 14 percent. The smaller companies were able to adapt to the market a lot better. In the case of large enterprises, production decreased to a larger extent. The revenue from this year's privatization exceeded 35 billion forints at the end of May.

Senate Votes for Ratification of European Treaty

LD2407131192 Warsaw PAP in English 1235 GMT 24 Jul 92

[Text] Warsaw, July 24—After a two-hour debate on Friday [24 July] the Senate decided to ratify the European treaty on associated membership between Poland and the European Communities.

A total of 75 senators voted for the ratification, one was against and six abstained from the vote. The treaty adopted by the Sejm on July 4 now waits for the ratification by the president of the Republic of Poland.

Senator Krzysztof Pawlowski, speaking on behalf of the extraordinary commission which examined the ratification bill, underlined that the treaty creates chances for the development of both the Polish industry and agriculture.

He admitted, however, that the treaty did not meet all Polish expectations e.g. it did not specify clearly the date of Poland's joining the EC. But he emphasized that Poland should not delay the ratification as it is not alone queueing to Europe and every delay may be disadvantageous to her.

Meanwhile, the speaker of the Senate decided to convene the next meeting of the chamber for July 28, the Senate press office announced on Friday. Its agenda will include its own legislative initiatives of a draft decommunisation law and of an anti-smoking bill.

Suchocka Wants Special Powers for Government

LD2607171992 Warsaw PAP in English 1517 GMT 26 Jul 92

[Text] Gdansk, July 26—The prime minister intends to seek special powers for the government to make it possible for it to rule by decree if such a possibility is envisaged in the future Small Constitution, and the president will support such efforts, Premier Hanna Suchocka and President Lech Walesa declared while talking to newsmen after ceremonies marking the 600th anniversary of St. Bridget Order they attended in Gdansk on Sunday [26 July].

President Walesa also expressed a conviction that solutions will be found to the present wave of labour unrest that will satisfy entire society. "The essential thing for us is to jointly solve the problems surfacing during the strikes," he said.

Premier Suchocka, when asked whether she intended to deal with the strikes in a manner resembling that used by former British Prime Minister Margaret Thatcher, replied that conditions in Poland and in Britain are not alike. "Hence I intend to act not like a second Margaret Thatcher but like the first Hanna Suchocka," she said, admitting that comparisons between herself and Mrs Thatcher easily come to mind.

Government, Solidarity Discuss State Enterprises

LD2507082192 Warsaw PAP in English 1646 GMT 24 Jul 92

[Text] Warsaw, July 24—Premier Hanna Suchocka and several Cabinet members met with a delegation of the National Commission of the Solidarity trade union in Warsaw on Friday [24 July] to discuss the current socio-economic situation in Poland and the restructuring of state-owned enterprises.

The meeting was attended by Deputy Prime Ministers Henryk Goryszewski and Pawel Laczkowski and Minister of Labour and Social Policy Jacek Kuron. The government side promised it would present a schedule of work on restructuring state-owned enterprises to the union till July 31. The date for handing the schedule of work on restructuring state-owned enterprises will be kept because the introduction of changes in such enterprises is very urgent, said Jacek Kuron. Premier Hanna Suchocka announced that negotiations with the Solidarity will be resumed in August.

Solidarity Prepared To Call General Strike

LD2407215692 Warsaw PAP in English 2108 GMT 24 Jul 92

[Text] Warsaw, July 24—Poland's "Solidarity" trade union is prepared to call a general strike of its members if government proposals to restructure the state sector of Polish industry fail to meet its demands, "Solidarity" leader Marian Krzaklewski announced on Friday [24 July], following a meeting with Polish Prime Minister Hanna Suchocka, and other government representatives.

The government side is to present its restructuring plans to Poland's trade unions by July 31 and, according to Krzaklewski, by mid-August the government is to present draft laws, as a basis for discussion. Following the meeting, Labour Minister Jacek Kuron said that the government would put forward proposals on debt forgiveness for state enterprises, and moves to reduce the excess wages tax.

In related moves, 3 committees of the Polish Sejm (lower house) accepted by a majority of one vote a draft law on the excess wages tax. The Sejm Committees for Economic Policy, Budget and Finances, for Social Policy, and for Legislation, accepted draft amendments which would retain the excess wages tax until June 30, 1993. The draft law also envisages a move away from automatic indexation, to be replaced with negotiations between government and the unions.

Meanwhile, Poland's wave of strikes and labour unrest shows no sign of abating. "Kadra," the trade union representing supervisers in the Polish mining industry on Friday called for a suspension of all industrial action, including strikes, to improve the atmosphere in negotiations with the government.

In Krakow, the strike committee at the Nowa Huta steelworks presented a series of demands calling for monthly pay increases of 1.5 million zlotys (about 105 dollars), modernisation of the plant, the abolition of the excess wages tax, and debt relief and the suspension of dividend payments at the Nowa Huta plant.

Two trade unions at the FSM [compact car plant] car producer in Tychy (Katowice province, southern Poland) on Friday suspended strike action when management agreed to talks. The metalworkers trade union and the FSM branch of "Solidarity" said that the continued blockade and sit-in at the plant was unnecessary. However, the "Solidarity 80" trade union continues to support strike action in support of claims for wage increases linked to the retail price of the Fiat "Cinquecento" car, which is produced at the FSM plant.

The strike at the "Zofiowka" coal mine in Jastrzebie Zdroj (Katowice province), announced on Wednesday, is to be suspended from early on Friday morning, the mines director Stanislaw Jablonski said on Thursday.

In Warsaw, Leszek Miller, Sejm deputy of the post-communist Democratic Left Alliance (SLD) called for SLD activists to visit all places where industrial action is currently taking place. According to Jozef Oleksy, deputy leader of the SLD parliamentary group, such actions should be seen as an SLD attempt at mediation.

Sejm Fails To Discuss Current Wave of Strikes

LD2507181392 Warsaw PAP in English 1417 GMT 25 Jul 92

[Text] Warsaw, July 25—The lower house (Sejm) on Saturday [25 July] failed to take up discussion on the current wave of strikes in Poland after Labour Minister Jacek Kuron had presented his report on the situation in the strike-ridden areas despite protests of several deputies, mainly from the Democratic Left Alliance (SLD) and Confederation for Independent Poland (KPN) who even walked out of the chamber in protest against the results of the voting.

A total of 126 deputies voted against holding a debate on strikes on Saturday, chiefly from the Government coalition and the Solidarity parliamentary floor group, while 113, mainly from the KPN, SLD, Solidarity of Labour and the Polish Peasant Party (PSL) were for such a debate.

While addressing the house on Saturday morning, Kuron said that a total of 38 strikes and 47 protest actions were staged in Poland in July, mainly in those economic branches which are dominated by state-owned enterprises.

"We are currently dealing with strikes and social conflicts not larger than before, but the patience of the people is running out now. People are fed up with our inapt rule," Kuron said, adding that the government wants to solve the problems of state-owned enterprises in a global and structural way. He said that the government will set no exceptions and that "nobody will get anything from any strike."

The labour minister assured the Sejm that the government is taking immediate and long-term action aimed at solving the problems which had led to the current strikes in the transport equipment factory in Mielec, the Copper Basin, the Small Car Factory in Tychy and coal mines in Silesia.

He offered hope for the end of strike in the Copper Basin and claimed that the strike in the FSM [compact car plant] car factory in Tychy will break down after the explanations of the foreign shareholder which is the Italian Fiat concern. The question of the transport equipment factory in Mielec is being handled by an entire group of experts but a final solution can be expected within one and a half or two years when serious investment comes to that area.

Two parliamentary floor groups: of the Democratic Left Alliance (SLD) and the "Movement for the Republic" adopted statements on Saturday against the Sejm decision not to hold any discussion on the labour ministers report.

The SLD statement protested against the decision and charged that "the Sejm had enough time to talk about by-laws, former secret agents disclosure and the protection of the unborn child but failed to give time to opposition deputies for the most urgent matter—the urgent problems of the economy and the working people." The statement called this "a scandal burdening government groupings in parliament" and demanded a full debate on the matter during the next Sejm meeting.

The statement of the Movement for the Republic called it "inadmissible to deprive the Sejm of voicing its opinion on such a fundamental matter as the current wave of strikes."

Parties in Copper Mining Dispute Issue Communique

LD2607174992 Warsaw PAP in English 1633 GMT 26 Jul 92

[Text] Warsaw, July 26—Following the fiasco of talks to solve the copper dispute that were held in Warsaw late Saturdy [25 July] night between the representatives of the management of the "Polska Miedz" copper combine and the inter-union strike committee, the sides published a communique Sunday explaining their decision to break the negotiations.

Present at the talks hosted by the Ministry of Labour were also representatives of the Solidarity trade union of the Legnica copper basin, and labour and privatisation ministers Jacek Kuron and Janusz Lewandowski, respectively, who acted as mediators.

According to the communique the inter-union strike committee demanded during the talks wage rises of 1,200,000 zlotys (about 90 U.S. dollars) for the copper combine's miners and of 1,000,000 zlotys for the combine's metallurgists. In reply the representatives of the

"Polska Miedz" management said that due to strike-related losses the pay rises of 850,000 zlotys and 600,000 zlotys, respectively, originally proposed by the management should now be cut down on the average by 50,000 zlotys per employee.

Both the combine's management and the government mediators also rejected—"as impossible under the present law"—the strike committee's other proposals concerning exemption from interest on the "Polska Miedz" company's stock capital and relief in the excess wage tax.

At this point of the meeting the sides decided negotiations should be stopped, the communique says.

In view of the copper basin management's plan to cut down the earlier proposed wage rises, the copper basin's Solidarity union representative, authorised by Solidarity's National Commission, demanded that the "Polska Miedz" management stick to the original decisions on pay increases contained in the agreement negotiated on last July 17.

The copper combine's management appealed to the inter-union strike committee to suspend the strike action till the end of September, to accept the offered pay increases and to agree to start a new round of negotiations on pays when new financial possibilities emerge.

At the same time the combines's management said that the decision to meet the demands of the strike committee could mean bankruptcy for the "Polska Miedz" company.

The inter-union strike committee announced it would issue a separate communique.

Union Leader Calls For Action To End Strikes

LD2507221892 Warsaw PAP in English 1949 GMT 25 Jul 92

[Text] Rzeszow, Katowice, July 25—On a visit to Mielec (southeast Poland) on Saturday [25 July], Marian Krzaklewski, leader of the "Solidarity" trade union, called for urgent action to resolve the dispute which has crippled production at the WSK Mielec aircraft producer.

Krzaklewski reported on Friday's meeting between "Solidarity" and Prime Minister Hanna Suchocka, saying that the government recognised that the dispute at WSK Mielec was not over pay, but rather over the very future of the plant, the leading employer in the town. Krzaklewski also called for negotiations at the plant to be carried out through the "Solidarity" union structure, and not through informal strike committees.

"Solidarity" representatives at WSK Mielec are demanding that government funds be made available to allow the Defence Ministry to place an order at the plant for "Iryda" aircraft, thus ensuring both employment and pay for the workforce.

Meanwhile, at Tychy (Katowice province, southern Poland), the strike committee at the FSM small car plant announced that it will decide later on Saturday whether to broaden its protest. Waclaw Cuber, press spokesman for the strike committee said that if FSM management does not in the near future agree to talks, the workers will begin an occupation of the site. Since Friday, the strikers have blocked all movement of materials at the FSM plant, and emergency access only is being permitted.

Since Friday's decision by the Metalworkers Union and the branch organisation of "Solidarity" to withdraw recognition of the strike while negotiations proceed, the action is now supported only by "Solidarity 80." On Saturday, the presidium of the factory trade union representatives also announced their willingness to negotiate with the FSM management.

The presidium decision was not supported by "Solidarity 80" representatives, said Strike Committee Press Spokesman Waclaw Cuber. He accused the other unions represented on the presidium of trying to encourage separate negotiations with management, and of seeking to distance themselves from a strike which had the support of the whole workforce.

Also on Saturday, the FSM strike committee called on Poland's Supreme Chamber of Control (NIK) to take control of the factory, and to remove from office the head of the FSM S.A. board, and the technical director and director general of FSM.

Tychy Car Plant Workers Intensify Strike Action

LD2407213992 Warsaw Radio Warszawa Network in Polish 1737 GMT 24 Jul 92

[Text] The strike committee at the compact car plant [FSM] in Tychy decided today to step up their protest. At 1400, when the stand of the FSM management and the director of the Tychy enterprise on the illegality of the strike—now in its third day—were made public, the strike committee—formed from among the workforce—called on trade unions to support their strike action.

The independent self-governing trade union Solidarity and the Metalworkers' Trade Union have withdrawn their support for the strikers. They propose that the strike be suspended.

Despite earlier decisions, and with loud applause from the first and the second shifts, unionists from Solidarity 80 decided to back the strike. So a new strike committee was formed. Some of the workers on the first shift left the enterprise but the majority remained with the second shift, and are continuing the present strike.

The strike committee has submitted the same demands as before—which, to a large degree, concern a pay raise of about 10 percent of the price of a Fiat 500. At the moment, talks are being held between the strike committee and the workforce in order to decide on a description of the form of strike.

The remaining two unions have officially announced their regret that Solidarity 80 did not behave responsibly. The protesting workforce is of a different opinion. At the moment the strike is a rotational one.

KPN Criticizes Government's 'Incompetent Actions'

LD2507180592 Warsaw PAP in English 1654 GMT 25 Jul 92

[Text] Warsaw, July 25—The Political Council of the Confederation for an Independent Poland (KPN) on Saturday [25 July] attacked the Polish Government for "incompetent actions" in response to the wave of labour unrest which has plagued the country in recent weeks.

In a press release, the KPN Political Council recognised the growing unease in Poland, and repeated KPN's support for all strike teams. KPN also suggested that "the present majority in the Sejm, and the ruling coalition, is acting in contradiction to the real expectations of Polish society."

KPN also criticised the Polish media, and particularly television, for not reporting facts relating to the party's activities.

World Bank Credit To Restructure Mining Industry

LD2407142892 Warsaw PAP in English 2330 GMT 23 Jul 92

[Text] Warsaw, July 23—Minister of Industry and Trade Waclaw Niewiarowski declared on Thursday [23 July] that the Polish Government will use the World Bank financial assistance in restructuring the Polish mining industry.

The World Bank guarantees credit lines of at least 200 million dollars for the purpose, and further 200 million dollars for workers who lost their jobs.

Niewiarowski said the credits will be used first of all for social purposes to cushion the effects of reforms and for restructuring the Polish mining.

During talks with representatives of five mining trade unions Niewiarowski proposed to transform the Polish mining industry into several coal mining companies or holdings.

Report on Former Communist Secret Agents Approved

LD2407145392 Warsaw PAP in English 2326 GMT 23 Jul 92

[Text] Warsaw, July 23—After 12 hours of a stormy debate, the Sejm (lower house) on Thursday [23 July] approved the report of the extraordinary commission that had examined the implementation of the Sejm Resolution of May 28 on the release of files of agents of the former Communist Secret Service.

The report was approved by a majority of 184 votes, with 110 deputies voting against and 19 abstaining.

The report presented the commission's findings and conclusions from the investigation on the way Antoni Macierewicz, the minister of internal affairs in the Jan Olszewski Cabinet, had implemented the resolution.

The report of the commission said that the activities of Macierewicz and the then head of the Office for the Protection of the State (UOP), Piotr Naimski, who was also involved in the implementation of the resolution might have led to destabilization of the supreme organs of the state.

Deputy Tadeusz Iwanski told the house that the lists of former informers of the Communist Secret Service, prepared by Macierewicz included the names of the president, the Sejm speaker, the future prime minister, the former prime minister and the minister of foreign affairs.

Deputy speaker ordered to delete these revelations from the minutes, while Deputy Aleksander Malachowski proposed to stop discussing the issue of the files. "People fighting for bread are looking at us and, unfortunately, they are right thinking that we have gone mad," Malachowski said.

Polemizing with the critical voices prevailing in the debate, Jan Olszewski maintained that the commission's report constitutes an indictment not only against his former minister, but also him as the then prime minister. However, he reiterated his co-responsibility for the way the resolution on the files was implemented.

Deputy Ryszard Smolarek of the Polish Peasant Party (PSL) accused Jerzy Kropiwnicki, labour minister in the Olszewski Cabinet and now the minister of planning, that he had distributed the lists of agents while attending the session of the International Labour Organization (ILO) in Geneva.

Meanwhile, deputies of the parliamentary caucus of the Christian National Union (ZChN) tabled a draft law on "conditions to occupy certain public positions in the Republic of Poland," designed to "remove the co-architects of the Communist system from the political and economic life and from the judiciary."

Deputies from the parliamentary caucus of the Movement for the Republic, a group led by Olszewski, submitted a draft resolution to oblige Minister of Internal Affairs Andrzej Milczanowski to disclose the list of collaborators of the Communist Secret Service that he had prepared while in the UOP in 1991. The deputies deem it necessary to compare its contents with the lists compiled by Macierewicz.

Meanwhile, two deputies, Ryszard Bartosz and Czeslaw Sterkowicz decided to leave the parliamentary caucus of the Democratic Left Alliance (SLD), one of the biggest groupings in the Sejm.

The chamber will meet for another session on July 30.

Government Accused of Breaking FRY Embargo

LD2407145592 Hamburg DPA in German 1038 GMT 24 Jul 92

[Text] Hamburg (DPA)—Despite denials from its government, Romania is regularly breaking the trade embargo imposed by the United Nations on the Serbian-dominated remnants of Yugoslavia. The "Morgenecho" program on north German radio's fourth program reports today that several tonnes of oil from Romania are reaching the civil war-torn state every week.

Up until three weeks ago the usual transport route was used at night. The tankers coming from Timisoara crossed the border at the border stations to Vojvodina, north of Belgrade, which is administered by Serbia. The supplies reached the oil refinery near the regional capital of Novi Sad, escorted by military vehicles from the Yugoslav People's Army. The oil products were distributed from here to local tankers. A water route is now preferred because the route via Vojvodina was discovered by American AWACS reconnaissance aircraft.

The radio reports that crude oil is now being taken by tankers via the Danube to Novi Sad, not under the Romanian but under the Soviet flag. Some of the former Soviet Danube Fleet have already been divided among Ukraine, Russia, and Moldova. Another, being used by Romania, can be chartered. [sentence as received] The changing of the flag at the Romanian-Yugoslav border and the painting over of Russian signs and markings is included in the service. This procedure has already been noted several times by crew members of Bulgarian and Hungarian ships, however up to now the United Nations has neglected to station observers at the border posts to Romania.

Basescu Views Losses Due To Embargo Observance

AU2407213392 Bucharest ROMPRES in English 1949 GMT 24 Jul 92

[Text] Bucharest, ROMPRES, 24/7/1992—"The consequences of Romania's observance of the UN embargo on Yugoslavia are very serious," the minister of transport, Traian Basescu, told a Friday, July 24, press conference. In the context, it was mentioned that Romania had held back most means of transport from and towards Yugoslavia. Consequently the traffic has diminished and so have revenues. 10,000 employees will have to be in technical unemployment shortly, said the minister. The Ministry of Transport is resolute to ask that use be made of budget reserves to support the work force.

To the about $200 million losses transport is going to have in consequence of the application of international sanctions, tens of million dollars add every month as far as rail transport is concerned. $10 million were blocked in Yugoslavia over one month only, representing services of the Romanian railways, made prior to the application of the embargo. The Ministry of Transport is sure that these losses cannot be made up for in any way, added the minister.

Mr. Basescu said a visit of the U.S. ambassador in Romania in the Danube port of Giurgiu had removed suspicions of the international community on the observance of the UN embargo by Romania. "In this way, the idea has been dropped of sanctions to be applied to Romania by the UN Security Council," concluded minister Traian Basescu.

Nastase Outlines Goals of Visit to Central Asia

AU2307124492 Bucharest ROMPRES in English 0900 GMT 23 Jul 92

[Text] Bucharest ROMPRES 23/7/1992—On July 22 the Romanian minister of foreign affairs, Adrian Nastase, concluded his official tour of five central Asian countries, former Soviet republics: Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan.

In connection with the targets and results of that tour he made a statement upon his arrival in Bucharest:

The basic idea of this tour was to establish diplomatic relations, to set the political-diplomatic ways of interstate discussions and, at the same time, to create institutional modalities, by cooperation between foreign ministries included, in order to set the juridical framework absolutely necessary for our future relations.

This was our minimal—let's say so—goal and it was accomplished. Of great importance was also the economic dimension of that tour because our mixed team included fifteen businessmen, managers of large enterprises in Romania who had the opportunity to establish direct contacts with partners in those central Asian countries, thus to conclude contracts for the near future—worth about 35 million dollars. But the possibilities for the next period are much greater, namely worth about hundreds of millions of dollars. The concrete modalities will be set in the following period and economic missions will be sent to each of those countries to establish a strategy characteristic for each country.

Referring to his meetings, Mr. Adrian Nastase appreciated that "the first contact was very useful." He said: "We had very many contacts and we succeeded in signing an important number of documents—protocols on the establishment of diplomatic and cooperation relations between the foreign ministries. Commercial agreements and protocols were also signed and agreements were made for the beginning of negotiations in the consular, cultural and economic domains.

Stolojan Issues Statement on Elections

AU2407193792 Bucharest Radio Romania Network in Romanian 1700 GMT 24 Jul 92

[Statement by Prime Minister Theodor Stolojan; place and date not given—recorded]

[Text] The law concerning the date of parliamentary and presidential elections will be published in the 25 July issue of the MONITORUL OFICIAL. Elections will be held on 27 September 1992. The MONITORUL OFICIAL will also publish the government's decision concerning the electoral campaign, which is to officially begin on 25 July 1992.

The elections stand for a significant moment which allows our citizens to freely and competently express their political will. Your votes will set our future coordinates, and sanctions the landscape of political structures and the balance of forces among political parties over a long time.

The 27 September 1992 elections represent our chance to leave behind this provisional situation and political instability, and a necessary condition to relaunch our economy—that is, our chance to return to a normal life.

A brief glance at history allows us to find that in Romania—regarding both the option of the people and that of the political parties—there is a general belief and trust in the most important assets of democracy: political pluralism, civic liberties, and the state of justice. Our hope in those values preconditioned the overthrowing of dictatorship and was a premise of initiating political reform and altering the way of thinking in our country. We are optimistic that the consensus and trust in those assets will allow us to organize an honest a civilized electoral campaign, free and correct elections, and massive participation in voting.

Organizing free and correct elections has been the major political objective of this cabinet. We still feel responsible about that objective and I think that the scrutiny held in February confirmed our potential and will to reach that goal. I would like to assure you that we will use that experience and will use all the resources that will be needed to ensure the transparence and correctness of the 27 September 1992 elections.

We do not have the right to fail in that moment. Elections represent the testing of the political candidates, but they are also our chance to demonstrate to ourselves and to our partners in the democratic world that we are dedicated to the same value system, that it is impossible to go back on the democratization process in Romania, and that democracy is a vocation of the Romanian people.

The free and correct character of the parliamentary and presidential elections can only be achieved through the common effort of the political parties, state institutions, trade unions, and our civil society. The government is determined to deny any compromise to those people who—being aware or unaware of it—wish to impede on the development of that democratic process. The government is also determined to make the transparent and free character of the elections impossible to contest by anyone inside or outside the borders of our country.

We also support all legal actions meant to back the civilized character of the electoral campaign, to broaden knowledge on political candidates, and which stimulate the democratic behavior of the electorate.

We trust and hereby invite as many international observers as possible to assist the electoral process in Romania. Their presence is a gesture of trust and goodwill on behalf of the democratic world and a source of new ideas for us to further ameliorate future electoral processes.

We also trust and hope that national observers will massively participate in the process and we fully trust the honesty and maturity of each citizen of Romania.

As far as I am concerned, I stand by my promise that I would not participate in the electoral race. The fact that I am not participating is yet another guarantee that the government I represent is determined and has enough resources to ensure the free and correct character of the 27 September 1992 elections.

Presidential Candidate Holds News Conference

AU2307091992 Bucharest ROMPRES in English 0724 GMT 22 Jul 92

[Text] Bucharest, ROMPRES, 22/7/1992—"The elections will allow Romania to really start the path to democracy," Professor Emil Constantinescu, rector of the Bucharest University, the Democratic Convention's candidate for the presidential elections, stated at a news conference held in Paris on Tuesday, July 21. "We wish to make quite clear an aspect concerning Romania's stand on Foreign issues, namely that we want to represent the eastern border of Europe and not the western border of an eastern empire."

In connection with the many problems raised by the return of monarchy in Romania, Mr. Constantinescu said: "Now, a referendum would be a demagogic attempt, as it is the recent attempt that the former sovereign candidate for the country's presidency. This proposal is senseless and aims at creating a false popularity to the person launching such ideas."

In conclusion, Professor Constantinescu said that the Democratic Convention had no intention of withdrawing from the elections, reproaching the western countries that they had not done too much to help it.

FSN Nominates Dragomir as Presidential Candidate

AU2507181592 Bucharest ROMPRES in English 1723 GMT 25 Jul 92

[Text] Bucharest ROMPRES 25/7/1992—Saturday, July 25, the Steering Collegium of the National Salvation Front [FSN] concluded its meeting in Brasov. It preceded the special National Convention of this political grouping.

The meeting established the nominees for presidential elections: Victor Babiuc and Caius Dragomir. Eugen Dijmarescu withdrew his candidacy motivating it, among other things, in his having been a member of the former Roman cabinet. FSN leader Petre Roman reiterated his refusal of running for president.

In the afternoon, the proceedings proper of the National Convention started.

Saturday, too, the National Council of the FSN youth organizations held its works to discuss the FSN initial nominations for presidential elections as well as other questions related to youth.

In the first half of the FSN special National Convention under way in Brasov, FSN leader Petre Roman made an address. He reiterated his determination not to stand a candidate for president, and made a synthesis of the party's platform and its outlook on governing.

Mr. Caius Dragomir, one of the FSN candidates for the country's president, set forth his opinions on the profile and tasks of a would-be president of Romania.

The second FSN candidate, Victor Babiuc, underlined, among other things, that the current sociopolitical conditions were unfavourable to the Front, but possible to be overcome. He asserted that the main political error of Romania's president was to near the FDSN and other extremist political groupings.

[In its 1700 GMT radio newscast, Bucharest Radio Romania Network in Romanian makes the following announcement: "In conclusion of the FSN extraordinary National Convention in Brasov, Mr. Caius Dragomir was nominated candidate to the country's presidency on behalf of this political formation".]

PDCR Proposes Ratiu as Presidential Candidate

AU2507192392 Bucharest ROMPRES in English 1631 GMT 25 Jul 92

[Text] Bucharest ROMPRES 25/7/1992—We advance Mr. Ion Ratiu our proposal to stand as candidate for Romania's president on behalf of the Christian and Democratic Revolution Party [PDCR], stated that party's president Ion Flueras at a news conference held Saturday, July 25. Reasoning the proposal, Mr. Flueras asserted that Romania needed Mr. Ratiu now, it needed his rich political and economic experience, since he is one of the few Romanian politicians who has never been contaminated by communism.

Because Mr. Ratiu is abroad, he is to subsequently state his opinion on the proposal. If Mr. Ratiu refuses, then the Christian and Democratic Revolution Party is to back the Democratic Convention's candidate for president, specified Mr. Flueras.

Harghita, Covasna Rallies Send Protest Message

AU2407213692 Bucharest ROMPRES in English 2000 GMT 24 Jul 92

[Text] Bucharest, ROMPRES, 24/7/1992—The participants in the Thursday, July 23, rally staged in Miercurea Ciuc, Harghita County, addressed a protest to the Romanian Prime Minister, Theodor Stolojan, against the July 10, 1992, resolution whereby the Hungarian-nationality prefect of that county was released from office.

The protest, sent by fax to ROMPRES, assesses the replacement of the prefect of Harghita as groundless, arbitrary, exclusively ethnic, antidemocratic, and discriminatory.

The participants in the rally request the premier to come to Miercurea Ciuc or to receive in Bucharest a joint delegation of the Democratic Union of Hungarians in Romania [UDMR] and the Democratic Convention in the two counties.

If their request is not democratically handled, they will start bearing, from August 1, the "well-known yellow star, a symbol of sad memory of civic disconsideration and discrimination," shows the protest.

A similar protest has been published by the rally in Sfintu Gheorghe which considers that the release of the Hungarian- nationality prefects of Covasna and Harghita Counties is an antidemocratic measure, a violation of minorities' rights, which has no other justification than the ethnic criterion.

The premier is also invited to visit Covasna County as soon as possible to discuss on the spot with representatives of the local parties and political groupings.

Karadzic Says Bosnian Serbs To Create Own State

LD2507183692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1648 GMT 25 Jul 92

[Text] Jahorina, 25 Jul (TANJUG)—The Serbian nation has found itself at the threshold of the creation of its own constitutive state on the territory of former Bosnia-Hercegovina, Radovan Karadzic, president of the Presidency of the Serbian Republic of Bosnia-Hercegovina, said today at a session of the parliament of the Serbian nation.

Talking about the current position of the Bosnian Serbs, Karadzic assessed that the Serbian nation is exposed to the threat of international military intervention directed exclusively against the Serbian nation.

According to Karadzic, the Bosnian Serbs have to face the international conference which has so far progressed in the direction of the creation of a tripartite Bosnia-Hercegovina, probably a confederation.

Karadzic said that the Bosnian Serbs want Bosnia-Hercegovina to be a community of states [zajednica drzava]. He added that the Serbian nation in Bosnia-Hercegovina is in an excellent military position at the moment, that the internal political situation is stable, while a decisive diplomatic battle is only to begin on the international level.

Karadzic stressed that the Bosnian Serbs have a certain amount of support for their option of creating an independent state in a confederative Bosnia-Hercegovina, but that they, and Serbs in general, are also exposed to massive pressure because of the armed defense of their rights, of themselves, and of their territories in former Bosnia-Hercegovina.

According to Karadzic, Bosnia-Hercegovina has found itself in the path of some big powers whose goal is to create a state in the shortest possible time, because it was recognized and admitted to the United Nations hastily.

One of the goals of such a policy, in Karadzic's opinion, is to establish the supremacy of the Croatian-Muslim coalition in Bosnia-Hercegovina, while basically wishing to ensure Muslim supremacy.

The other goal is to prevent the Serbs from achieving their aspiration of creating a state, from realizing their own right to self-determination.

The third goal is to accuse Serbia and Yugoslavia of external aggression which is, of course, invented because Serbia, Karadzic said, has not carried out any aggression against Bosnia-Hercegovina.

These accusations, Karadzic stressed, were made because the big powers were not satisfied with reopening the problem of Kosovo—which is Yugoslavia's internal problem and as such would provide insufficient grounds for imposing sanctions—and would not be accepted by other states with a similar domestic problem (for example Spain or Britain).

The leader of the Bosnian Serbs recalled that Bosnia-Hercegovina was not created as an independent state by the will of its peoples, nor in a democratic way. It was put together as a test for the further dismembering of the Serbian national body and I do not believe that any nation throughout history has ever been subjected to such pressure as that exerted against the Serbian nation, Karadzic said.

Izetbegovic Sends Letter to Carrington

LD2607142292 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1300 GMT 26 Jul 92

[Excerpts] Here are the most important parts of a letter that Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, sent to Lord Carrington. Among other things, Izetbegovic wrote:

Haris Silajdzic, minister of foreign affairs of Bosnia-Hercegovina, will arrive in London at your invitation, in accordance with the previously agreed upon date. Silajdzic is not coming to London to negotiate. He is coming to brief you and Mr. Jose Cutileiro on the development of the situation in Bosnia-Hercegovina following the cease-fire agreement of 17 July this year and, if at all possible, to ensure the implementation of this agreement—especially clauses one and two. [passage omitted]

I assure you that the war will continue without the elimination of heavy weapons and that the resumption of talks in such a situation will only mean a cover-up for the continuation of aggression, which will legalize the conquest of territories through forceful methods and ethnic cleansing. The legitimate government of Bosnia-Hercegovina does not agree to being drawn into this game, Izetbegovic says in the conclusion of his letter to Lord Carrington, on the eve of the next round of talks on efforts to resolve the situation in Bosnia-Hercegovina.

Silajdzic 'Cannot' Represent Croats at Talks

LD2607190792 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 26 Jul 92

[Text] In connection with the statement made at today's press conference at the international press center by Mr. Mile Akmadzic, secretary general of the Presidency of the Republic of Bosnia-Hercegovina, to the effect that Mr. Haris Silajdzic, foreign minister of the Republic of Bosnia-Hercegovina, will attend tomorrow's talks in London on behalf of Mr. Alija Izetbegovic in the capacity of president of the Presidency of the Republic of Bosnia-Hercegovina, not of leader of the Muslim national community, the Croatian Democratic Community for Bosnia-Hercegovina says as follows:

Mr. Haris Silajdzic, foreign minister of the Republic of Bosnia-Hercegovina, cannot and will not represent the Republic of Bosnia-Hercegovina in the talks organized by Lord Carrington which are likely to take place in London tomorrow between the representatives of the three national communities in Bosnia-Hercegovina,

because, as we know, these talks will not be between Britain and Bosnia-Hercegovina but between representatives of the three constituent nations of Bosnia-Hercegovina, under the auspices of the European Community. Therefore, in these talks Mr. Haris Silajdzic will—if this is possible in the state function which he is performing—represent only and exclusively the Muslim national community, i.e. the Muslim nation of Bosnia-Hercegovina, i.e. the Party of Democratic Action. We have nothing against that. (?Consequently) Foreign Minister Mr. Haris Silajdzic cannot and will not represent the Croats from the independent state of Bosnia-Hercegovina in tomorrow's talks in London between the representatives of the three national communities. This statement of the Croatian Democratic Community for Bosnia-Hercegovina is signed by Mr. Ivan Markesic.

Serb Leader Issues Statement Prior to Talks

LD2607112192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1003 GMT 26 Jul 92

[Text] Belgrade, 26 Jul (TANJUG)—A delegation of the Serbian Republic of Bosnia-Hercegovina left for London this morning, SRNA [Serbian News Agency] reports from Pale.

The delegation is composed of Radovan Karadzic, Nikola Koljevic, a member of the Serbian Republic of Bosnia-Hercegovina Presidency, and Momcilo Krajisnik, president of the Serbian Republic of Bosnia-Hercegovina Assembly.

In a statement for SRNA prior to his departure for London, Momcilo Krajisnik said that his delegation expects "the continuation of talks and the establishment of dialogue between the three national communities in Bosnia-Hercegovina."

Krajisnik pointed out that it was the Serbian Republic of Bosnia-Hercegovina Assembly, which ended its session in Pale this morning, which provided the basis for the new round of talks in London.

"The assembly set us a task as a condition for the resumption of talks—to insist on the release of the Serbian population from concentration camps in Konjic, Celebici, and other places and to ensure the free movement of people," said Krajisnik, recalling that all this was part of the agreement reached at the last meeting in London.

"We have been representing both the Serbian people and the Serbian Republic of Bosnia-Hercegovina since the talks started," said Krajisnik in his statement for SRNA.

UN Security Council Accepts Butrus-Ghali Plan

LD2507114292 Belgrade TANJUG in English 0650 GMT 25 Jul 92

["Pool" item]

[Text] United Nations, July 25 (TANJUG)—The United Nations Security Council on Friday [24 July] evening authorized Secretary General Butrus Butrus-Ghali to launch an action which would lead towards the disarmament of the warring sides in the former Yugoslav Republic of Bosnia-Hercegovina as soon as all necessary conditions are fulfilled.

Its presidency said in a statement adopted after a lengthy debate that the Security Council supported Butrus-Ghali's assessment that "conditions have not yet been fulfilled for the United Nations to take over control of handing over heavy weapons," as envisaged under the cease-fire agreement signed in London six days ago.

The secretary general was recommended to collect, in cooperation with the European Community and the Conference on Security and Cooperation in Europe (CSCE), more information about all aspects of such an operation, including information about personnel, equipment and logistic support, so as to prepare the launching of the action as soon as possible.

The Security Council also appealed to the warring sides in Bosnia-Hercegovina to contribute to creating conditions for such an operation, the most important of which is a total cease-fire and acceptance that their arms be placed under international control.

Serb Assembly Appeals to Muslims, Croatians

LD2607112292 Belgrade TANJUG Domestic Service in Serbo-Croatian 0220 GMT 26 Jul 92

[Excerpt] Pale, 26 Jul (TANJUG)—The Assembly of the Serb Republic of Bosnia-Hercegovina today proposed bilateral talks to the leadership of the Muslim community and the resumption of talks on territorial demarcation to the Croat side.

Just after midnight, at the end of the session which started on 25 July, an appeal was endorsed in which the Muslim and Croat side are called on to end the hostilities. [passage omitted]

Argentine President, State Delegation Arrive in Zagreb

LD2707101392 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 27 Jul 92

[Andjelko Perincic report from Zagreb airport]

[Text] Several minutes ago, Argentine President Carlos Menem arrived in Zagreb. At the airport, he was greeted by Croatian Prime Minister Franjo Greguric, accompanied by his aides. The state delegation of Argentina, on a private mission in Croatia, departed for Vila Zagorje where it will hold talks with President Franjo Tudjman. Today, it is also expected that President Menem will visit Argentinian soldiers who are members of UN Protection Force in so-called sector west.

Meets Tudjman, Visits UNPROFOR Troops

LD2707152192 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 27 Jul 92

[Excerpts] Talks between the state delegations of Croatia and Argentina were held this morning in Zagreb between the presidents of the republics, Dr. Franjo Tudjman and Carlos Saul Menem. The Argentine president arrived this morning for a private visit to Croatia. During the visit, in addition to holding talks with his host, President Tudjman, he will visit Argentine soldiers who are members of the UN Protection Forces [UNPROFOR]. Andjelko Perincic prepared a report.

[Begin recording] [Perincic] The Argentine president is the first leader of a Latin American state to visit Croatia since it gained its independence. As soon as he arrived at Zagreb airport, he expressed his satisfaction with that fact and his conviction that this is only the beginning of a more fruitful cooperation between the two countries.

After the talks with President Tudjman, not hiding his satisfaction, he said:

[Menem] I have to say that Argentina is a member of the United Nations and the international community and that it is present here in your homeland observing the UN resolution. I have learned a lot about Croatia from literature and from many Croatians who live in Argentina. I have to stress that it was them who made a great contribution to the fact that our country was one of the first, not only in Latin America but in the world, to recognize the independence and sovereignty of independent Croatia. [passage omitted]

All that is a strong motive for us to establish normal diplomatic relations with Croatia as soon as possible, since at the moment the Argentine Embassy in Vienna deals with all affairs concerning Croatia.

[Perincic] Agreeing with his guest's statement, Croatian President Dr. Franjo Tudjman added:

[Tudjman] The talks we held with the Argentine president, Mr. Menem, during his visit to the Argentine unit of the UNPROFOR will obviously contribute to further understanding of problems that the peace forces are facing, and of our stands. I can stress with satisfaction that President Menem displayed a high degree of understanding of the situation in Croatia. During the talks, we agreed...[changes thought] I invited Mr. President Menem to pay an official visit to Croatia, and he extended an invitation for me to visit Argentina, which will contribute to the strengthening of the relations between Argentina and Croatia in economic and all other spheres.

[Perincic] After the talks in Zagreb, Argentine President Carlos Menem left for the western sector where the Argentine soldiers are positioned with the UNPROFOR. He was accompanied by Minister of Foreign Affairs Guido Di Tella; Defense Minister Antonio Erman Gonzalez; Admiral Emilio Osses, the head of the Argentine Joint Chiefs of Staff; and other officials.

The honorable guest from Argentina is expected to leave our country this afternoon.

Bosnian Refugees Arrive in Karlovac

LD2407163192 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 24 Jul 92

[Excerpt] During last night and this morning, about 9,000 refugees from Bosnia have been arriving in Karlovac, although it was announced that 3,800 people would come. With the help of the UN High Commission for Refugees, the UN Protection Force, and the Karlovac regional bureau for refugees, expelled Muslims and Croats have arrived from Bosanski Novi, Bosanska Kostajnica, Prijedor, and Sarajevo. [passage omitted]

Government Supports Intervention in Bosnia

LD2507210992 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 25 Jul 92

[Text] Slovene Defense Minister Janez Jansa and Foreign Affairs Minister Dimitrij Rupel said on behalf of the Slovene Government at a news conference in Ljubljana that they support a military intervention in Bosnia-Hercegovina. Jansa believes that Slovenia has nothing against a military intervention, because it is aware of the fact that that is the only way to stop the armed conflict and the attempt to carry out a genocide against the Muslims in the republic. He added that a swift end to the war would be in Serbia's interest too, because in that case the economic blockade might be lifted.

According to the Slovene defense minister, Serbia is still well supplied with reserves of goods which belonged to the former Yugoslav Federation, which increases its chances of continuing the war until the realization of its strategic goals despite the blockade.

Authorities Refuse Bosnian Refugees Entry

LD2607201192 Belgrade TANJUG in English 1900 GMT 26 Jul 92

[Text] Ljubljana, July 26 (TANJUG)—A larger group of refugees from the war-stricken former Yugoslav Republic of Bosnia-Hercegovina on Sunday [26 July] blocked a border crossing between Slovenia and Croatia in protest against the Slovenian authorities not allowing them through that republic on their way to the Netherlands.

Croatia and Slovenia are two former Yugoslav republics which were recognized by the E.C. after forcibly seceding from Yugoslavia. The war, which lasted eight months in Croatia, in early April spread to the central Yugoslav Republic of Bosnia-Hercegovina which has the mixed population of Serbs, Croats and Moslems.

The Slovenian police on Sunday held up six buses carrying 332 refugees who have for a week been on the road through Bosnia, asking them to show Austrian and German visas, and letters of guarantee from the Netherlands.

The refugees protested, at moments raising tension to angry arguments, but customs officers refused to allow the tired-out elderly, women and children through Slovenia.

The head of the group described the attitude of the Slovenian police as inhuman and strange to the civilized Europe. He said their behavior illustrated the hypocritical and politicized attitude towards refugees.

Refugees said they would move from the border crossing on the Zagreb-Ljubljana highway only if forced.

Land, Sea Frontiers Disputes With Croatia Viewed

LD2307085892 Belgrade TANJUG in English 0436 GMT 23 Jul 92

[Text] Belgrade, July 23 (TANJUG)—Slovenia and Croatia, until yesterday the closest allies in their struggle for seceding from Yugoslavia, more and more often are to be found running into disputes over their joint land and sea frontiers, customs barriers and economic interests since having gained independence and international recognition in January this year.

These days, emerging in the foreground is a dispute over fishing in the Adriatic Sea waters, evenly accessible to both republics inside the one-time Yugoslavia's frontiers. Their independence having been proclaimed, however, to Slovenia went a smaller part of the sea in the Gulf of Trieste, a too narrow one when it comes to the needs and wishes of Slovenia's fishermen.

The Adriatic Sea will belong to Croatia's fishermen, Davorin Rudolf, Croatia's minister of maritime affairs, said as early as last November, and this became true after the two republics broke away from Yugoslavia.

Slovenia's fishermen find their government to blame for untimely dealing with regulations to govern fishing in the Adriatic waters. And this could become, they say, the reason for several hundred private fishermen to become jobless and for laying off before long some 400 others with jobs in the Delamaris enterprise of Isola, Slovenia's largest firm for fish packing and processing.

Slovenia and Croatia have 510 km of land frontier in common, more or less a not disputed one, but problems have arisen over their division of territorial waters in the northern Adriatic, won by the former Yugoslavia through internationally recognized contracts.

Referring to the land frontier gained by the one-time Yugoslavia, i.e. demarcated at the mouth of the now dry bed of the Dragonja River in the Bay of Piran (the two new-born states have their joint frontier there), Croatia practically left Slovenia short of approach to the open sea in the northern Adriatic. Slovenia's Adriatic coast length is less than twelve miles short now of reaching the open sea in the middle of the Gulf of Trieste.

If this would become a final demarcation, the Bay of Portoroz (located in Slovenia at present) would be divided, and this is an area neglectedly little used by Croatia's fishermen in the pre-war-two Yugoslavia, but the Slovenes did the fishing there and set up their largest site for breeding fish and mussels there. Nor neglectable was money due from tourist cruises sponsored along the bay coast [sentence as received].

Slovenia accuses Croatia of having illegally usurped about 6,000 weekend villas and 290 Slovenia's enterprises left in Croatia. On the other hand, Slovenia remains owing over 600 million dollars's worth in savings to depositors since their monetary partition last year.

Some tolerance displayed by the Croatian side in cases in which Slovene fishermen reportedly poached in Croatia's territorial waters in the northern Adriatic is now more and more close to the principle that friendships are for a time but interests are for ever.

Also inducive of a conclusion like that is a recent incident in which Croatia's sea police forced two Slovene trawlers to enter the Croatian seaport of Umag and have their catch of 6.5 tons of fish confiscated and fines pronounced on them for reportedly poaching in Croatia's waters.

The incident over, Slovenia's foreign minister, Dimitrije Rupel, said that relations between the two states (Slovenia and Croatia) are 'on the lowest level' and that Slovenia, for all so-far acts like that at the hands of the Croatian authorities (frontier disputes, abuse of fishing rights, additional custom duties, roads, etc.) cannot help but revise its treatment of Croatia and treat it as "a second-class country" in the future.

Slovenia and Croatia are the most important economic partners to each other, but this cooperation has not been developing without problems either. On account of special taxes on imports from the one-time Yugoslavia's republics, made-in-Slovenia goods have become twenty-three times more expensive since January 1st this year.

Slovenia and Croatia, two republics in the one-time Yugoslavia but substantive states at present, concluded early last March a protocol on economic cooperation to guarantee a favoured status to both sides in trade, but Croatia's parliament has not yet ratified that document.

Trade Agreement With Austria Signed

92P20344A Ljubljana DELO in Slovene 15 Jul 92 p 1

[Article by In.F.: "Agreement With Austria Signed"]

[Text] Vienna, 14 Jul—After having been negotiated and initialed almost a month ago, a trade agreement was signed today by Slovene Deputy Prime Minister Herman Rigelnik and Austrian Economics Minister Wolfgang Schussel. The agreement will be in effect three months after its ratification by both parliaments. It will entitle Slovenia to preferential treatment under GATT. Its implementation will be supervised by a bilateral commission, which will also propose and formulate ideas for expanding this cooperation.

Assembly Rejects Parliamentary Elections Law

AU2007133492 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 17 Jul 92

[Excerpt] The basic electoral laws that are the last step toward the elections scheduled for autumn collapsed like a house of cards in all three chambers of the Slovene Assembly yesterday. All three chambers endorsed only a variant of the text of the law on elections for the president of the republic, while the law on elections in parliament failed to gain the necessary two-thirds majority—first in the Chamber of Communes, then in the Sociopolitical Chamber, and finally in the Chamber of Associated Labor. Of course, nobody knows what to do next except for Joze Zupancic, president of the Chamber of Associated Labor, who in yesterday's statement, along with his unconditional resignation, expressed the hope that the elections will nevertheless be held in December. [passage omitted].

Federal

Panic Accuses 'Criminals' of Fighting in Bosnia

LD2607183392 Belgrade TANJUG in English 1733 GMT 26 Jul 92

["Pool" item]

[Text] Belgrade, July 26 (TANJUG)—Yugoslav Prime Minister Panic, in stressing that he was committed to ending the war in Bosnia-Hercegovina, said that "it is not the good people who are fighting (in Bosnia-Hercegovina), the good Serbs, the good Croat and the good Moslems...they do not hate each other."

Panic blamed the conflict on a hard core of 1,200 fighter-criminals.

In an interview published by REUTERS on Sunday [26 July] Panic, a Serb-born American businessman, said these criminals "are people who absolutely do not tolerate or respect anybody."

In saying that "these are criminals who have very advanced weapons, some of them have tanks, some of them even have cannons," Panic said it would be a problem to take weapons from them.

Panic said this year's Los Angeles riots resembled the fighting in Bosnia-Hercegovina which, however, was "on a much, much more grandiose scale."

"I had every intention to help the world by making medicine, and now I find myself around tanks and mortars and the military, and I am not really comfortable. But being a good Californian I adjust very well and I think I am going to succeed in bringing peace to Yugoslavia," said Panic, who owns an American pharmaceutical company and co-owns another in Yugoslavia.

Premier Wants All Factions Disarmed in Bosnia

LD2607203292 Belgrade TANJUG in English 1907 GMT 26 Jul 92

["Pool" item]

[Text] New York, July 26 (TANJUG)—Yugoslav Prime Minister Milan Panic stated on Sunday [26 July] that the competence he also held as head of the Defense Ministry, he would use, primarily, toward effecting disarmament of all the warring factions in the former Yugoslav Republic of Bosnia-Hercegovina, and subsequently for easing tensions in Yugoslavia and in the Balkans.

The Moslem-Croat coalition, assisted by at least 50,000 regular troops of the former Yugoslav Republic of Croatia, were fighting the local Serbs in Bosnia-Hercegovina for the past three and a half months.

Speaking for the American Cable News Network (CNN), Panic said that with all three sides in Bosnia-Hercegovina—the Serbs, Croats and Moslems—there was good will for resolving the present conflict as soon as possible, just as there was a strong desire for peace. Asked to explain the role of Moslems in the conflict, the Yugoslav prime minister stated the issue implied a religious affiliation of people who were of either Serb or Croatian descent and that he saw no reason for all Bosnian nations and creeds not to be living together again. The Serbs were Orthodox, and the Croats Catholic.

Panic, who is an American businessman of Serbian descent, held talks during his [word indistinct] day stay in the U.S. with the ranking officials of the international community and international diplomacy rallied at the U.N. his discussions with the top Washington Administration officials have also been announced during all his contacts, Panic has found full understanding for all his proposals pertaining to ending the war in Bosnia-Hercegovina, as well as for solving the Yugoslav political and economic crisis, made especially difficult by the severe and unjust sanctions imposed by the U.N. Security Council.

Panic clearly set out that it was his aim to effect lifting of these sanctions.

Army Chief Stresses Peace Without Loss of Freedom

LD2507144692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1149 GMT 25 Jul 92

[Text] Belgrade, 25 Jul (TANJUG)—We want peace, but not if it means losing our freedom, said Colonel General Zivota Panic, chief of General Staff of the Yugoslav Army, in his address today to young Yugoslav soldiers who took a solemn oath in the Belgrade Garrison.

Noting that the Federal Republic of Yugoslavia is not endangering anyone, Panic stressed that its soldiers "will not go anywhere outside the borders of the country."

"We will greet all our friends as the custom of our people prescribes," Gen. Panic said, recalling that the Yugoslav Army invited representatives of even those countries which have their ships in the Adriatic to come as friends. "They can only come in that capacity," Gen. Panic said.

Addressing the soldiers, Gen. Panic said that the Yugoslav Army objective is to carry out all its tasks at a high professional level "without interfering into political and party clashes and without the ideological bias which has been burdening us for years."

"No one can dismember Yugoslavia, which was created by the agreement of two nations," Panic said.

As a soldier, he expressed the deep conviction that there can be no dialogue with those dividing Serbia and creating some new states in it. "This division of Serbia is not possible without the use of force. We must say clearly to all those redrawing the map of the Balkans, wherever

they are, that Kosovo and Vojvodina will not be separated from Serbia, that Montenegro will not be separated, that there are no higher interests which can outweigh the patriotism of Serbian and Montenegrin soldiers if someone tries to do this," Panic concluded.

General Staff Denies Reports of Mining Adriatic

LD2407191992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1711 GMT 24 Jul 92

[Text] Belgrade, 24 Jul (TANJUG)—With reference to reports which appeared in London today about the Yugoslav Navy's alleged mining of the Adriatic, the information service of the Yugoslav Army's General Staff has been authorized to make the following statement:

"None of the Yugoslav Navy ships placed a single mine in the territorial waters of the FRY and ships of our Navy are not sailing outside these waters.

This latest in the series of misinformation which are being carried by the international public can be interpreted in no other way than as the creation of an atmosphere in which foreign military intervention against the FRY is unavoidable. Furthermore, the publication of such lies only contributes to further pressure being put on the UN Security Council to pass the relevant decision with regard to military operation on our territory," we read in the communique of the information service of the Yugoslav Army's General Staff.

"We wish to point out once again that peace and a peaceful solution to the crisis on the former Yugoslav territory remain our firm orientation. The invitation which Colonel General Zivota Panic, chief of General Staff of the Yugoslav Army, forwarded to the commander of the U.S. Sixth Fleet for a friendly visit to our Navy still stands," the information service of the Yugoslav Army's General Staff confirmed.

Cosic Sends Letter to Yugoslav Assembly

LD2407161592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 24 Jul 92

[Text] Belgrade, 24 Jul (TANJUG)—Dobrica Cosic, president of the Federal Republic of Yugoslavia, sent a letter to the Federal Assembly. In the letter, he says that work should be started on "improving" the federal and republican constitutions. He calls for minor changes to the Federal Constitution which will facilitate early federal elections and the immediate harmonization of the Republics' Constitutions with the Yugoslav Constitution.

In his letter addressed to Milos Radulovic, president of the Chamber of Republics, which arrived in the Assembly today, Cosic expounds his understanding of the aim and contents of the constitutional reform he advocated in his address to the Assembly on 14 July.

Expressing his belief that it is of crucial importance for Yugoslavia as soon as possible to base its life upon the new federal constitution, i.e. respect for constitutionality and legality, Cosic stresses that the Federal Assembly "should address the Assemblies of Serbia and Montenegro as soon as possible and demand that they start adjusting their republican constitutions in line with Article 115 of the Constitution of the Federal Republic of Yugoslavia."

In this way, Cosic says in his letter, one would avoid the parallel existence, the mixing of or conflict between differing constitutional and legal systems in those areas which are at present within the jurisdiction of the federal state, such as the rights and liberties of citizens, the macroeconomic system, defense and security, and international relations.

Stressing that the most important thing at present, from the political point of view, is to prepare and conduct new democratic parliamentary and presidential elections at all levels, as the only democratic way of creating a democratic society and a responsible government, Cosic reiterated that the elections should be held at the end of November.

Given that early elections at the federal level require fewer changes to the Federal Constitution, the Yugoslav president says: "were proposals for such changes to be made, I would like you to consider them and make a decision as a matter of urgency, before a concept of a more comprehensive revision of the constitution takes shape."

Cosic went on to say that "the dramatic times in which we are living, most of all Yugoslavia's difficult international position and the very tense internal political, economic, and social situation, demand these changes—the revision of the FRY Constitution and that of both republics, which will contribute to establishing full democratic legitimacy."

Since I am deeply convinced that the time of peace, work, and democratic development is ahead of us, I am urging that within the framework of the Federal Assembly, preparations for necessary improvements in the FRY Constitutions start as soon as possible, Cosic writes, specifying that he has in mind, above all, civil and human rights and the rights of national minorities.

While not disputing the democratic character of the existing solutions, Cosic is urging that "they be critically analyzed by the Federal Assembly's Commission for Constitutional Issues and that, wherever necessary, they be improved and harmonized with leading and generally accepted international legal standards."

Cosic maintains that legal competences between the Federal state and republics should be divided fully and clearly.

Proceeding from negative experiences which the SFRY had and the positive experiences of leading Federal

states in the world, the republican president maintains that constitutional solutions which would best reconcile the principles of sovereignty of citizens and equality of republics should be reached.

While preserving the essence of the principle of equality of republics in areas of vital importance for everyone, the system of organization of power in the federation, as well as the distribution of competences among federal bodies and the decision-making process in the Federal Assembly should lead to a larger degree of harmony and rationality so that blockades are avoided and the efficiency of the federal state—especially in the economic sphere which would thus stimulate the free market economy and the transformation of property, as well as private and other forms of enterprises—is increased.

President Cosic maintains that improvements in the constitutional solutions can be made satisfactorily in a regular constitutional procedure, regardless of its complexity.

Necessary expert analyses and the drafting of proposals for constitutional changes can be carried out, Cosic believes, within the framework of a constitutional commission of the Federal Assembly which should be set up without further delay.

"Regardless of the present party representation in the Federal Assembly, I maintain that a constitutional commission should be set up on the basis of the participation of the ruling and opposition parties in the FRY Assembly and in both republican assemblies, with the corresponding participation of the necessary number of top legal experts. In this way, full democratic legitimacy will be achieved, as well as expert competence and adequate political representation of this commission, which would base its work on the principles of recognizing scientific achievements and modern democratic experiences: good will, tolerance, and coordination," Cosic writes.

In this way, without waiting for new elections to the Federal Assembly, one can make considerable progress in improving constitutional solutions, while the constitutional solutions would be passed by a new Federal Assembly, i.e. after democratic multiparty elections at the end of the year, Cosic stresses.

Two important political demands would thus be met—improving constitutional solutions in a democratic way and doing this exceptionally important job relatively quickly, without political disturbances and by a legal and absolutely legitimate constitutional and legal organ, i.e. the future Federal Assembly, the letter which FRY President Dobrica Cosic addressed to the Yugoslav Assembly concludes.

Serbia

Bozovic Calls For Dialogue, Peace in Bosnia

LD2407205892 Belgrade TANJUG in English 1944 GMT 24 Jul 92

["Pool" item]

[Text] Belgrade, July 24 (TANJUG)—Serbia is for unconditional peace in the former Yugoslav Republic of Bosnia-Hercegovina, for an unconditional handing over of weapons and for political dialogue between the three nations—Moslems, Serbs and Croats, Serbian Prime Minister Radoman Bozovic said on Friday [24 July].

A war between Moslems and Croats, with the help of the Army of neighbouring Croatia, on one side and Serbs on the other has been raging in Bosnia-Hercegovina for three and a half months. The clashes flared up after the European Community reconized Bosnia-Hercegovina as an independent state at the request of the Moslem-Croatian coalition, but without the approval of Serbs who account for one-third of its population.

Bozovic told a news conference in Belgrade that the Serbian Government would uphold any solution [word indistinct] the representatives of the three nations in Bosnia-Hercegovina.

On the United Nations sanctions against the republics of Serbia and Montenegro, that is, the Federal Republic of Yugoslavia, Bozovic said they were unjust, underscoring that the accusation against Serbia of being an aggressor in Bosnia-Hercegovina was not true and could not, in any way, be proved.

The U.N. Security Council imposed sanctions against Yugoslavia on May 30, because it was allegedly the most guilty for the war in Bosnia-Hercegovina. However, there are no soldiers of the Army of the Federal Republic of Yugoslavia in Bosnia-Hercegovina.

Bozovic offered full cooperation to the United Nations, the European Community and international organizations whose aim is to stop the civil war.

He, however, said that the Serbian Government was not willing to renounce the respect of basic national interests of the Serbian people. Bozovic pointed out that Serbs in territories of former Yugoslavia, where civil war was raging, had the same right to take part in the settlement of the crisis as other nations.

On the July 21 agreement on military cooperation in the struggle against Serbs in Bosnia, reached between the leader of Moslems in Bosnia-Hercegovina, Alija Izetbegovic and Croatian President Franjo Tudjman, Bozovic said it was a show of violence over peace initiatives.

He said he believed the latest initiative of France, British Foreign Secretary Douglas Hurd and the United Nations would step up pressure on all warring sides in Bosnia-Hercegovina to stop the fighting.

Bozovic also commented on the proposal of Lord Carrington, the chairman of the Conference on Yugoslavia, on the holding of an international conference on the Serbian Province of Kosovo and Metohija, where a separatist movement of ethnic Albanians is very active.

With full respect of the activities of Lord Carrington, the chairman of the Conference on Yugoslavia does not have the authority to declare any part of the territory of Serbia and Yugoslavia a special zone, or shift questions of internal relations in Serbia to the jurisdiction of international institutions, Bozovic said.

Lord Carrington's proposal was rejected by Yugoslav President Dobrica Cosic and Serbian President Slobodan Milosevic on July 21.

Kosovo and Metohija is definitely a part of Serbia and Yugoslavia, and cannot be separated, even in the form of a special zone, Bozovic said, adding this did not mean that the Serbian Government was not willing to discuss all issues, particularly the implementaion of minority rights according to high international standards.

He recalled that the leaders of ethnic Albanians had on several occasions rejected the calls of the Serbian authorities and Yugoslav President Dobrica Cosic for talks on minority rights, since all they wanted to talk about was secession.

Asked to comment on a statement by Yugoslav Prime Minister Milan Panic on the right to self-determination of all nations and thus even ethnic Albanians in Kosovo, Bozovic said he had understood the statement had been made in the context of comparison with the rights of minorities in the United States, where the right to self-determination did not include the right to secession or turning of territories into special zones, contary to the Constitution.

Bozovic also informed journalists that the Serbian Government was prepared to hold round table talks with the opposition parties about topical issues, such as a new constitution and law on elections, but added it did not accept the idea of declaring the round table into an institution of authority and dissolving the multi-party parliament, which is what the opposition wants." Bozovic added the Serbian Government had invited the opposition parties to put up their candidates for posts in the republican government, noting it was now up to them to show whether they are ready to take the challenge.

Prime Minister Rejects Conference on Kosovo

AU2607194492 Novi Sad TVNS Television Network in Serbo-Croatian 1730 GMT 26 Jul 92

[Interview with Prime Minister Radoman Bozovic by Angelina Vucic; place and date not given—recorded]

[Text] [Vucic] Serbia and Montenegro have been under a blockade for two months already. A month has passed since the Serbian Government adopted economic measures. How long can our country withstand this blockade?

[Bozovic] It is not a question at all as to how long it can withstand it. As the government, we are doing everything to have these economic blockade measures lifted because they are not doing anyone any good—neither international capital, nor international interests, nor our economy. They are not just; nor do they resolve the problem of the civil war in Bosnia-Hercegovina. Therefore, the central issue is to do everything at the levels of both the republican and the federal governments for these measures to be lifted.

On the other hand, as a pragmatic government that is facing, in practice, a series of negative consequences—consequences caused by the introduction of economic sanctions—we have adopted a number of practical measures in several fields, and we are still adjusting these measures. We intend to carry them out responsibly to the end. We, along with experts and businessmen, will search for other ways to alleviate the consequences of the economic blockade. However, if I may say it, we do not have the right, because of the consequences caused by the introduction of the economic blockade, to accept aggression against Serbia and the interests of the Serbian people. We cannot proclaim the Serbian people as an aggressor; we cannot open a process of secession in the Republic of Serbia, the secession of its territories, regardless of the extent of the negative consequences of the economic measures.

[Vucic] Figures probably exist on how long the vital sectors can last under the blockade.

[Bozovic] It is not a question at all of the problem of how long they can last. All key material sectors are balanced and managed. The government will undertake appropriate measures in accordance with new realities. There is no question of life or death, but of doing everything possible for these measures to be lifted. While they are in force, we should make the most rational, sometimes unpopular, administrative restricting measures to alleviate their consequences.

[Vucic] Do you cooperate with Federal Prime Minister Panic?

[Bozovic] Mr. Panic is now very busy with the work concerning communications with international institutions, which is quite logical considering his program and his wish to contribute as much as possible toward the lifting of the economic sanctions. But certainly, today I will hold talks with deputy federal prime ministers and the head of the Montengrin Government to try to find solutions that could be practical and pragmatic during the time when the economic blockade is still in effect.

[Vucic] One more question: What is the first step of the Serbian Government regarding Kosovo, bearing in mind the fact that Lord Carrington has called for a conference

on Kosovo, and bearing in mind the fact that representatives of the Albanian minority are not responding to the invitation for talks?

[Bozovic] We have not taken any new steps. Mr. Carrington does not have the right to negotiate about the secession of Kosovo, nor about its transformation into some special zone. Kosovo-Metohija is part of the republic. Regarding the Albanian minority, the invitation for a dialogue to the representatives of the Albanian minority is open, and we are ready for this dialogue when the other side agrees. Therefore, there are no new steps, and there will be no new steps. Kosovo-Metohija is definitely a part of the Republic of Serbia and Yugoslavia.

A dialogue on all issues is needed and necessary, particularly on the issues concerning the rights of minorities and the Albanian community, but I assure you that there will be no negotiations about the secession of Kosovo, regardless of which government is in office in Serbia.

Industry Minister Comments on Blockade Effects

AU2707090392 Belgrade POLITIKA in Serbo-Croatian 13 Jul 92 p 11

[Interview with Velmir Mihajlovic, Serbian industry minister, by Radojka Nikolic; place and date not given: "Even Stronger Economies Could Not Survive Such Sanctions"]

[Text] At the beginning of June, when the economic blockade was imposed on Serbia by the well-known UN Security Council resolution, the Serbian economy was already showing signs of decline, and negative indicators in business activities. The fall in production exceeded 20 percent, cooperation links among the former Yugoslav republics had been severed months before, and the consequences of the abolition of privileges in trade with the EC (in November last year) was beginning to hit. One might well wonder whether it was really necessary to add a complete economic blockade to such poor economic conditions, but the added sanctions show that there is still something left to be destroyed in the already destabilized industry.

At the time when all kinds of negative circumstances began to concentrate on economic activities, the Serbian industry got its first minister in December last year (in the government of Premier Bozovic). Up till then, there had been a joint ministry for energy, mining, and industry. So we began our interview with Velimir Mihajlovic by asking him what it was like to be a minister for an industry that was showing rapid signs of decline.

Worst Damage to Metal, Electronics and Textile Industries

[Mihajlovic] Of course I would rather be the minister for industry in Germany, but when I accepted this appointment I knew what to expect. Actually, when I started this job last December, I could not have foreseen the present economic blockade, and a whole series of negative circumstances. Still, it is an exaggeration to say that everything is going badly in our economy. People often unjustifiably underestimate the technological level of development of our industry, its market and managing capability.

[Nikolic] Can there be a precise estimate of how badly damaged the Serbian industry will be by this economic blockade?

[Mihajlovic] I would not be saying anything new if I point out that the consequences will be hard. It is difficult to give an estimate about the damage in average terms because Serbian industry is very varied. There are about 3,000 companies with some 700,000 employees. Also, this ministry does not cover the food industry, agriculture, the civil engineering industry, and the transportation industry. This blockade shows how different our economy is from the economies of the former eastern countries, that is, how much it focuses on import and export activities, and how dependent it is on cooperation with the world market.

[Nikolic] Which industries are hit hardest by the blockade?

[Mihajlovic] The worst damage is caused to the metal industry, the production of means of transportation, electronics, the machine building industry, and the chemical and the textile industries, because these were the most dependent on cooperation. But these industries were hit a year ago when cooperation with the former Yugoslav republics stopped. In the following months, these industries turned to other markets, and looked for substitutes, but then the embargo was imposed. There are very few industries that could survive such a blow.

[Nikolic] Which industry will be the least affected by the blockade?

[Mihajlovic] That will be the non-metals, the construction materials industry, and woodworking. They are not completely independent from cooperation with foreign partners; it is just that the percentage of that dependence is very small. Companies in the industries that are still functioning, despite the blockade, have rationalized their primary products and manufacturing components, and have turned to other markets.

[Nikolic] How many employees in Serbian industry are currently not working?

[Mihajlovic] Up to 30 June, about 100,000 workers are not working in industry. But that number includes workers who had planned their collective summer vacations before the blockade. The largest percentage of that number are workers who are on forced vacation because of the blockade. But that does not mean that they will remain on vacation until the blockade is lifted, because many companies are now looking into ways of adapting to the new situation and different production.

Technological Surplus Labor Increases Number of Currently Unemployed

[Nikolic] Are there among them workers who represent technological surplus labor, or do they belong to companies that are resisting bankruptcy?

[Mihajlovic] Yes. Among these workers are those who have belonged for a long time now to the potential technological surplus labor, and they make up 30 percent of the total number of the employed in Serbian industry. That means that even if it were not for the blockade, a considerable number of these people would lose their jobs, either as technological or economic surplus labor.

[Nikolic] Will there be an increase of the number of workers who will lose their jobs because of the blockade?

[Mihajlovic] Unfortunately, yes. But the state has taken responsibility for ensuring some sort of income for them.

[Nikolic] The funds that the state has put aside for them are from the budget and tax reserves, therefore, from nonproductive income.

[Mihajlovic] Yes, it is nonproductive income, but this form of financing the unemployed comes under the category of solidarity and social justice, since these people lost their jobs through no fault of their own.

[Nikolic] Are there any indications that the blockade might soon be lifted?

[Mihajlovic] No, not for the time being. But we have to do all we can to have it lifted. And even when that happens it will be very difficult to compensate for what we have lost because of this blockade. It is obvious that those who opted for the imposition of an economic blockade knew that they would achieve their objective and paralyze the economy.

New 'Pro-DEPOS' Democratic Party Founded

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[Text] A group of members of the Democratic Party who support DEPOS [Democratic Movement of Serbia] organized a meeting of pro-DEPOS democrats in the Great Hall of the Trade Union building. The meeting had only one point on the agenda: The Democratic Party and DEPOS.

This meeting ended a few minutes ago. The participants decided that a wing of the Democratic Party that supports DEPOS will leave the parent party and form a separate political party, the Democratic Party of Serbia. Dragoljub Stankic reports:

[Begin recording] The meeting was greeted by writer Matija Beckovic on behalf of DEPOS. He explained the role of DEPOS, saying that no one in the movement is subordinate to anyone and that DEPOS has not only attracted parties but also associations and trade unions.

Beckovic was followed by Vladeta Jankovic, member of the Executive Council of the Democratic Party. He presented the chronology of events relating to the founding and the unification of democratic opposition into DEPOS. Vladeta Jankovic said that it became clear that opposition parties were not strong enough to threaten the regime. This led to the founding of DEPOS. Members of the Main Committee of the Democratic Party were regularly informed about the moves that had been made for the founding of the movement, and thus they were not surprised by the decision, Jankovic said, adding that he did everything possible to convince Dragoljub Micunovic [president of the Democratic Party] to join the movement, but he ignored the invitation. We then set up of a group of members of the Democratic Party who supported DEPOS, convinced that we were respecting the will of the majority. We respected the program of the Democratic Party, Vladeta Jankovic said.

The opposition's popularity was falling day by day, Vladan (?Basic) said, and we had to join our forces. For this purpose we should have (?rallied all the members). Instead, we dismissed the disobedient committees. If the Democratic Party is to return to its original principles, its should transform itself.

The meeting was then addressed by Vojislav Kostunica. He said that the original principles of DEPOS were the same as those of the Democratic Party. He wondered why the Democratic Party is not in DEPOS. Our intention is to be a democratic party. Those who do not want this have already had offers somewhere else. The Democratic Party currently has two programs, its own and the one that it has never been its program, Vojislav Kostunica said. He said that the dispute is not being resolved within the same party, and proposed at the end that this meeting be transformed into the founding assembly of the Democratic Party of Serbia.

I am doing this reluctantly because we have been working together for three years. However, new alliances are being formed, and birds of a feather flock together. Members of the party who share our views are our members, Kostunica said at the end of his speech. He was proposed by those present as the president of the new party. A congress of this party should be held in two months at the latest. [end recording]